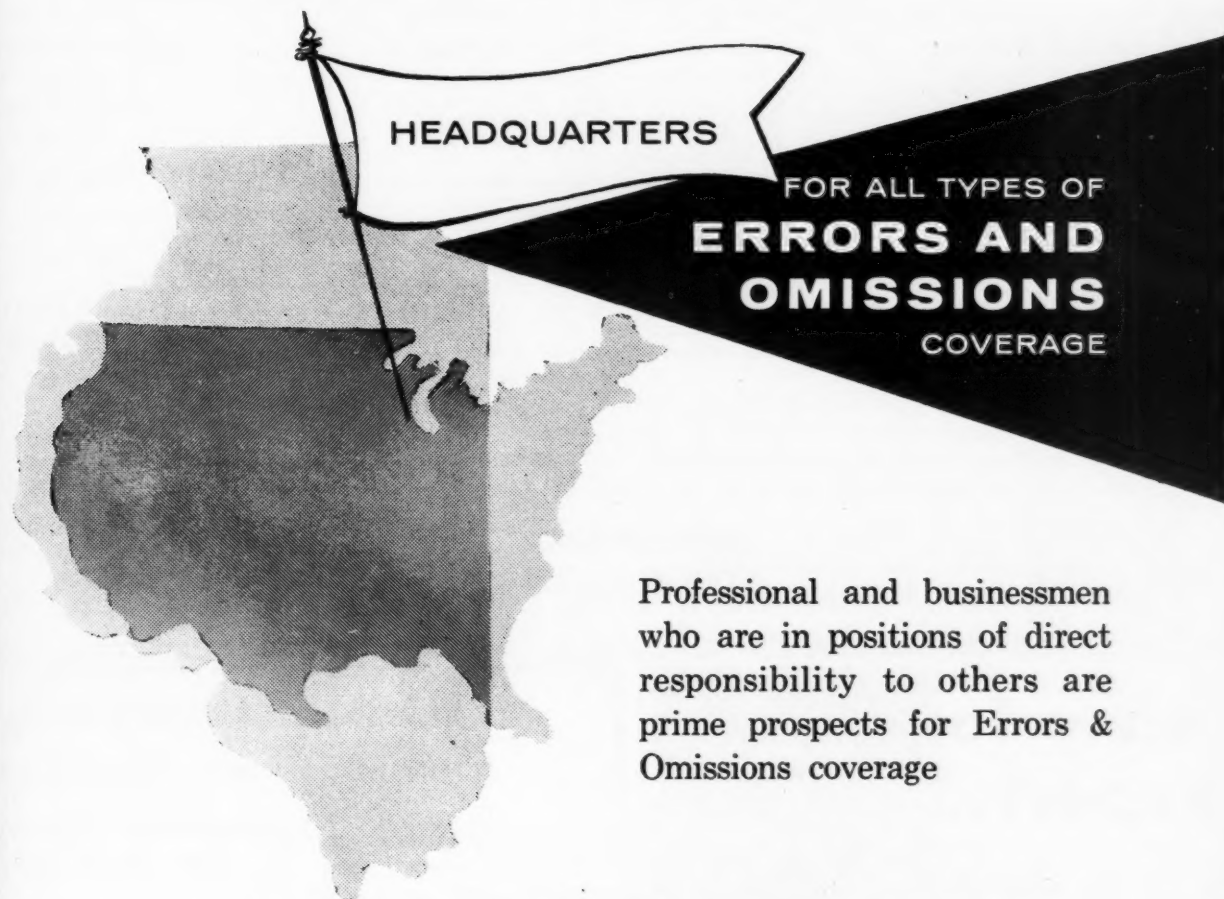


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THURSDAY, FEBRUARY 28, 1957

INTER-OCEAN REINSURANCE COMPANY

Cedar Rapids, Iowa

FINANCIAL STATEMENT AS OF DECEMBER 31, 1956

ASSETS		LIABILITIES	
Cash in banks.....	\$ 1,040,810.50	Unearned premiums.....	\$ 7,247,915.31
United States Government bonds....	3,486,141.27	Reserve for losses.....	1,491,864.58
State, County and Municipal bonds..	6,203,799.94	Reserve for adjustment expense.....	76,964.79
Preferred stocks.....	383,713.00	Reserve for taxes.....	42,822.74
Common stocks.....	3,192,990.00	Dividends to stockholders.....	50,000.00
Home office.....	64,578.90	Reserve for commissions and	
Accrued interest.....	75,905.70	other liabilities.....	448,749.79
Premium balances		Capital.....	\$1,000,000.00
(not over 90 days).....	751,869.31	Surplus.....	4,091,491.41
		Voluntary reserve.....	750,000.00
		Surplus to policyholders.....	5,841,491.41
Total admitted assets.....	\$15,199,808.62	Total.....	\$15,199,808.62

Note: Bonds and stocks owned are valued in accordance with the requirements of the National Association of Insurance Commissioners. If bonds and stocks were valued at December 31, 1956 market quotations, the Admitted Assets would be \$14,433,649.77 and the Surplus to Policyholders \$5,075,332.56. Securities carried at \$1,000,000 in the above statement are deposited as required by law.

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Company

Midwestern Insurance
Company

Farmers and Merchants
Insurance Company

All
MULTIPLE LINE



Home Offices

Tri-State Insurance Building

Tulsa, Oklahoma

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

61st Year No. 9
February 28, 1957

Michigan Midyear Stresses Potential for Agency System

600 Turn Out for Rally at Detroit To Gather "Production Pointers"

By JOHN C. BURRIDGE

DETROIT—Attendance of about 600 at the midyear meeting here last week of Michigan Assn. of Insurance Agents made more difficult an answer to the question of whether midyear meetings should be abandoned. Words of congratulation were offered on all sides as to the excellence of the program, and the opinion was expressed that if the decision is made to give up one of the two Michigan conventions, it might be logical to retain the one at Detroit.

Secretary-manager W. O. Hildebrand and his capable assistant, Jack Butterick, had organized a full program, and it took doing on their part plus some skillful management by the presiding officer, President Robert G. Schirmer, Saginaw, to keep within the time schedule without disturbing the speakers or overloading the audience, but they succeeded in doing this without a hitch. The theme of the convention was "production pointers," and the program was arranged so as to

(CONTINUED ON PAGE 25)

Highlights of the Week's News

- Auto rates revised in Georgia, Nebraska and PennsylvaniaPage 21
- NAIA opposes wider bank agency powersPage 21
- Good insurance buyer needs to be a salesmanPage 13
- Inadequate insurance costs 26 insured \$272,728Page 9
- National Board's "ad" program readyPage 15
- Travelers has new office in CanadaPage 18
- NAMIA prepares five-week school in JunePage 18
- Insurance teachers ask merger of two groupsPage 17
- McIntire testifies on flood programPage 17
- Insurer pessimism about 1957 may bring more careful underwritingPage 7
- Changes in merchandising methods needed to maintain agency system's position, Gallagher tells Michigan agentsPage 3
- Varys asks autonomy for Ohio department in Cincinnati talkPage 5
- Hartford group shows pluses at all points for 1956Page 5
- Marshall to head Mutual Alliance public relations departmentPage 5
- ICT officers seek to recover \$1.8 million from BenJack CaglePage 4
- Sues four agencies of defunct insurer for accounts receivablesPage 4
- Leslie to America Fore, National Council advances personnelPage 2
- Allstate premiums up 12%; Fentress succeeds Barker as chairmanPage 2
- Agent must know product, Glasser tells Chicago claim groupPage 20
- Mutual Loss Prevention Conference to meet March 14, 15 in ChicagoPage 23
- Special nursing outweighs surgical costs in larger medical claimsPage 16

Travelers' Units Had Over-all Plus on Underwriting

Travelers Indemnity had an underwriting gain of \$2,672,000 in 1956, compared with \$19,140,000 the preceding year. The drop in underwriting profit resulted from the sharp increase in loss ratios for all automobile lines and the increase of \$18,619,000 in the unearned premium reserve, which was due in part to reinsuring the motor vehicle and multiple lines of Travelers Fire. Assets increased from \$222,177,834 to \$242,481,741. Capital, surplus and special reserve rose \$2,611,641 to \$72,335,759.

Travelers Fire, absorbed by Travelers Indemnity at year end, had an underwriting gain of \$659,000 in 1956, compared with \$1,649,000. Assets were \$114,888,629, compared with \$115,080,519. Capital, surplus and special reserves reached \$28,981,679, increase \$900,233. With Travelers Fire, Travelers Indemnity, at year end had assets of \$343,870,370, and combined capital, surplus and special reserve of \$87,817,438.

For the year, Travelers had an operational gain of \$35,172,289, compared with \$32,936,658. The increase in surplus was \$24,659,795, compared with \$21,700,622. Assets increased for the group by \$144,689,995, to a total of \$3,145,911,217.

Individual A&S business totaled \$26,399,000 in 1956, an increase of 5.9% with over-all satisfactory underwriting results.

Automobile premiums reached \$195,873,000, up 3.8%, with an over-all underwriting loss despite modestly profitable results from property damage liability and collision.

The group wrote workmen's compensation premiums of \$87,859,000 in 1956, an increase of 5.4%. Underwriting results were more favorable than in 1955 and were quite satisfactory.

General liability and PDL premiums reached \$49,278,000, up 10%, and both lines had an underwriting profit with BI showing an appreciable improvement in loss ratio.

Underwriting profits were quite satisfactory on burglary and boiler and machinery. The results for surety were profitable but fidelity and glass showed underwriting losses.

For fire and marine lines generally premiums were up 4.3% to \$41,808,000. Fire and extended showed an underwriting loss. Although there were some reductions in fire rates during the year, the effect was small, and the downward trend appears, for the most part, to be ending.

Md. Governor Not Taking Stand on Compulsory, UJF

Representatives of Maryland Assn. of Insurance Agents have been advised by Gov. McKeldin that he has not, and will not, take any stand on either the compulsory auto insurance bill or the unsatisfied claim and judgment fund bill. He indicated he will take action only if and when either of these bills comes to his desk for signature. This dispels earlier reports that the governor was backing the compulsory measure.

Urge Double Eye to Identify Increased Coverage in 1957

On recommendation of Eastern Agents Conference, the conference committee of Eastern Underwriters Assn. is suggesting that insurer members, in general mailings to agents in connection with the program of increasing insurance to value, remind agents to mark dailies in a distinctive way. This reminder might read, the conference committee suggests:

"During 1957, please mark all daily reports and endorsements representing increased insurance of any kind with the double eye for insurance increased in capital letters in the upper right hand corner before sending them through to the company."

The double eye would represent the first letters in the two words "insurance increased."

Such a uniform method of identifying increased amounts of insurance developed during the entire year—and not limited to the duration of National Board's advertising campaign—was urged by members of EAC. Agents pointed out that some companies may supply identifying stickers for daily reports and others may not. It would be a mechanical burden to attach the correct company sticker to each daily report. Marking dailies with the double eye would be much simpler.

Such a uniform designation when publicized by all companies, by state agent associations, and field clubs in EUA territory would serve to show the efforts of independent local agents in serving the public, EUA's committee points out. Company officers and their underwriting departments which process daily reports and endorsements could use this ready means of identification for tabulating results.

Rochester Agents Vote for Group Advertising

Insurance Agents Assn. of Monroe County, N. Y., has adopted a local newspaper advertising program. Meeting in Rochester, the 290 members of the association voted creation of a \$3,000 advertising fund to which they will contribute on a pro rata basis. No date has been set for the initiation of the program.

Christensen Eases Duties, Herd Named Also as Chairman

Retiring Chairman of America Fore Has Had Notable Insurance Career

At his request, Frank A. Christensen was not reelected chairman of America Fore group and J. Victor Herd, president, was also elected chairman of the four insurers.

In a letter to associate employees and officers, Mr. Christensen pointed out that this is his 46th year in the business,



Frank A. Christensen



J. Victor Herd

ness, 36 of which have been with America Fore group. For most of his years with America Fore he has carried a senior administrative responsibility.

"During recent years I have become increasingly aware of a desire to turn over such responsibility to my associates," he wrote. Mr. Herd's choice as chairman "is especially pleasing to me inasmuch as Mr. Herd was also my nominee for the presidency as my first lieutenant. Mrs. Christensen and I are about to embark on a long cherished holiday and expect to return to New York by late spring or early summer."

Mr. Christensen began in insurance with London & Lancashire. After service in World War I, he became special agent of Automobile in New York state. He joined America Fore as a special agent in Connecticut and western Massachusetts in 1921.

In 1924, after becoming assistant secretary of all the companies, he was

(CONTINUED ON PAGE 28)

Late News Bulletins...

Fires in East Cause \$3 Million Loss

Fires have destroyed business and factory buildings in Butler, N. J., and Meriden, Conn., with losses estimated at \$2 to \$3 million. In Butler, the Pequanoc Soft Rubber Co. plant was burned out at a loss of \$2 to \$3 million following an explosion in a drying room. In Meriden, fire which raged out of control for five hours destroyed one business-apartment building and gutted a second. Some 25 businesses, the offices of radio station WMMW, and several apartments were lost. Damage is estimated to be in excess of \$1 million.

Kill Bank Extension Proposal

The Senate banking committee struck from the proposed financial institutions act of 1957 a proposed new authority for national banks to act as insurance agents in towns of more than 5,000. National Assn. of Insurance Agents had objected to the proposal.

Leslie to America Fore, Natl. Council Advances Personnel

William Leslie Jr., general manager of National Council on Compensation Insurance, has resigned to join America Fore as actuary. This is a newly created post of America Fore and will involve multiple line functions.

National Council's governing committee has appointed George F. Reall, secretary, general manager.

Albert Z. Skelding was named associate general manager, Robert D. Heitzmann assistant general manager and Sherman J. Garrett secretary.

Mr. Leslie joined the council as assistant manager in 1950 and became general manager in April, 1955. Prior to joining the council he was superintendent of the special risks department of Royal-Globe group and previously served in the actuarial department of National Bureau of Casualty Underwriters. He began his career in 1939 with a summer job in the rating division of Fidelity & Casualty, an America Fore company. He is a fellow of Casualty Actuarial Society.

Mr. Reall has been with the council since 1952 as assistant secretary and later as secretary. He was with Utah state insurance fund as assistant

manager, where he worked with legal, claims, underwriting and statistical matters. He is a member of the New York and Utah bars.

Mr. Skelding joined the actuarial division of the council in 1924, was made assistant actuary in 1928 and actuary in 1933. In 1950, he became assistant manager. He is a fellow and a past vice-president of Casualty Actuarial Society, has served as chairman of its examination committee, and at present is secretary.

Mr. Heitzmann joined the council in 1953, as an executive staff assistant, after having served in the compensation and liability departments in underwriting and claims capacities with several insurers. He became assistant secretary in 1954 and secretary the following year. He is a member of the New York bar.

Mr. Garrett went with the council as an assistant to the staff in 1955. He was with Utah fund from 1949 as assistant manager and chief accountant.

Rules Mo. Insurers Can Add Tax Cost to Rates

Attorney General John M. Dalton of Missouri has ruled that municipal franchise taxes imposed on fire insurers can be passed along to the insurance buying public. The ruling was furnished in connection with a case in Springfield, Mo., which imposes such taxes on insurers.

In his opinion, Mr. Dalton held that state law is not violated when the cost of municipal franchise taxes is added to the fire rates published for the city imposing the tax by the Missouri Inspection Bureau, pursuant to the state's rating act.

Fentress Succeeds Barker, Retiring Allstate Chairman

James M. Barker has retired after 14 years as chairman of Allstate "to make room for younger men" and is being succeeded by Calvin Fentress Jr., Allstate president for 16 years. Mr. Barker will continue as a director and chairman of the company's finance committee.

Mr. Fentress joined Allstate in 1932 in the investment department, subsequently becoming executive vice-president. During his presidency, Allstate assets rose from \$6,626,000 to \$379,358,000 and the number of policyholders rose to 4.2 million.

Replacing Mr. Fentress as president is Judson B. Branch, one-time agent for the company. Joining Allstate in 1934, Mr. Branch advanced from the investment department to treasurer and to vice-president. As senior vice-president since 1953, he has been responsible for field administration which included home office staff, personnel, sales, underwriting, claims and service functions.

Other executive changes include the election of Henry S. Moser, general counsel and secretary, to senior vice-president and secretary, George H. Kline, assistant general counsel, to vice-president and general counsel, Archie R. Boe, assistant vice-president of product development and pricing, to vice-president of the newly-created customer relations department, and George Powell, Detroit resident manager, to vice-president.

Two new directors, A. M. Wood, vice-president and secretary of Sears, Roebuck & Co., and C. A. Meyer, vice-president, Sears, were elected. They will replace C. A. Humm and the late Hugo Sonnenschein.

Georgia Doubles Safety Responsibility Limits, Acts on Other Measures

The limits under Georgia's safety responsibility law have been doubled to 10/20 by the legislature.

Legislative committees have reported favorably on other measures relative to insurance, including a senate bill which would prohibit the licensing in Georgia of any insurer entirely or partly controlled by an alien government, and house bills which would provide for a compulsory driver training program to be financed from funds appropriated for educational purposes, and permit insurance companies to be sued in any county.

Following a public hearing, a compulsory auto bill was referred to a special subcommittee for further study.

Senate committees killed bills to allow direct suit of an insurer, and to prohibit a lender or seller from coercing property or liability insurance required because of the sale of, or a loan on, real or personal property.

Kittitas County (Wash.) Insurance Assn. has elected **Phillip G. Fitterer** president, Leonard Thayer vice-president, Beaumont Apple, secretary and Lowell Young, treasurer.

Allstate Premiums Up 12%; Auto Line Nears \$260 Million

Direct premiums written of \$283,013,000 by Allstate and Allstate Fire in 1956 exceeded those of 1955 by more than \$30 million or 12%, President Calvin Fentress Jr. reported.

Premiums earned increased nearly 15%, from \$231,200,000 to \$265,337,000. Interest and dividends on investments amounted to \$9,716,000, compared with \$7,395,000 the previous year.

Profit on general liability and fire insurance operations and the earnings from investments enabled the companies to show a net profit after taxes of \$8,131,000. The companies' profit after taxes in 1955 was \$19,097,000.

Automobile accounted for the \$273,394,000 in direct premiums compared with \$247,361,000 the previous year. Earned auto premiums were \$258,491,000, as against \$227,664,000 in 1955. The net automobile underwriting loss was \$1,411,000.

Allstate had more than 4,200,000 policies in force Dec. 31, almost 600,000 more than at the end of 1955. "Auto policy sales increased steadily, fire policyholders almost doubled over the previous year, and general liability policyholders were approximately 30% greater," Mr. Fentress said.

Assets Dec. 31 were \$379,358,000, a gain of more than \$45 million with policyholders' surplus increased by 7.7% to \$78,438,000. The companies increased their reserve for losses and loss expense to \$138,388,000, 28.4% more than in 1955.

Grain Assn. Elects H. A. Clark President

H. A. Clark, Loyalty group, has been elected president of Underwriters Grain Assn. at their annual meeting to succeed Frank L. Ludington of Atlas who became vice-president. Rush W. Carter of Aetna Fire and E. R. Sanborn, Great American, were also named vice-presidents. R. C. Steinbeck, UGA, was elected secretary and H. R. Stanton, UGA treasurer.

Attorneys were Edward H. Born and K. S. Ogilvie, Western Underwriters Assn., and C. E. Harbin, UGA. P. S. Beebe, Hartford; C. W. Ohlsen, Sun; and R. B. Shepard Jr., St. Paul F. & M., were new members named to the executive committee.

The executive committee reported that 1956 had been a successful year, but noted an appreciable loss sustained by the Continental Grain Co. elevator fire in Chicago early in January.

Chicago Casualty Adjusters Hear Dr. K. L. Matson

At its February meeting, Casualty Adjusters Assn. of Chicago heard an illustrated talk on "Common Fractures" by Dr. Kenneth L. Matson, chief surgeon for Railway Express Co., a diplomat of American Board of Surgery, and a consultant of various insurers.

In his talk, Dr. Matson described examples of fractures of the type most commonly encountered by adjusters, resulting from industrial and automobile accidents, and from accidents in the home. Illustrating his discussion with X-ray slides, Dr. Matson outlined the treatment given in each case and the amount of attendant disability that either actually resulted or could reasonably be expected from such an injury.

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AROUND THE CLOCK

Changes in Merchandising Methods Necessary to Maintain Agency System's Position, E. F. Gallagher Tells Michigan Agents

Because the agency stock fire companies have failed to maintain their



E. F. Gallagher

former position in the competitive field, they wrote a p p r o x i m a t e l y \$820 million less in premiums than they should have in 1954 alone, Eugene F. Gallagher, Chicago manager of Planet, told Michigan Assn. of Insurance Agents at its mid-year meeting last week in Detroit. He noted that the failure of the agency stock companies to get their full share of the business means that the agents collectively were deprived of a little more than \$200 million in commissions which they might have had had the business of the stock companies merely held its own, and the situation has not improved in the last two years.

On the whole stock companies have done a pretty good job by means of insurance sold through the local agent, Mr. Gallagher said. It is a business with a human aspect, and is best developed by personal solicitation and sincere concern on the part of the agent for the needs of his client. But, he added, it is not only by producing business that the agent's achievement should be measured. His contributions include those in legislation, public relations, civic improvement and the development of needed types of coverage.

Although the agent has been doing much, a few trends should be considered, Mr. Gallagher observed. Figures based on the operations of fire companies in the 18 states in the midwest, representative of the country in general, show that in 1944 this area produced for all fire companies a total premium in fire and allied lines, including automobile physical damage, of \$372,169,038. Ten years later in 1954, these same classes produced a total premium of \$1,499,104,570, an increase for all companies of 303%.

While that may seem to be no little accomplishment it really, in the final analysis, merely means that the business has kept pace with the over-all economic progress, Mr. Gallagher declared. Gross national product has increased about that same amount during that period. Construction costs, commodity costs, the devaluation of the dollar and the effect of other factors have brought about increased ratios and insurable values which would just about parallel the increase in premiums. "In other words, while our progress may seem gratifying the business actually has just been riding along—just holding its own. We have not created new premiums nor to any marked extent increased the scope of coverage."

The business as a whole increased 303%, but unfortunately, agency stock companies increased only 215%.

Mr. Gallagher pointed out that in 1944, mutual and reciprocal fire companies combined wrote 13% of all the fire and allied line premiums in the midwest. In 1954 these two types of companies together wrote 30% of the

total. Their dollar writings increased 800%.

Non-agency stock companies—direct writers—in 1944 had midwest premiums of \$3,518,000. In 1954 they had reached \$43,773,000, an increase of 1,144%. This does not include finance

business or the automobile lines which involve third party liability.

While in 1944 agency stock companies were writing 87% of the fire business, they are now writing less than 70%, Mr. Gallagher said. That accounts for the \$820 million of premium lost in one year "that we need not have lost."

He said if nothing intervenes, the future is relatively easy to predict. If the mutuals and direct writers and agency stock companies continue with the same ratio of increase, "we will be writing through our agency plan less

than 50% of fire and allied line premiums seven years from now, and to add to the discomfort we may well bear in mind that the casualty picture is not any brighter."

One of the important factors which gave advantage to the competition was the automobile situation, he noted. Adverse loss ratios and the inability to obtain approval of adequate rates left agency companies practically powerless and they had to curtail the market and to open the door to those companies which operate on a different sys-

(CONTINUED ON PAGE 26)

Highway Insurance Company

(A Stock Company)

Annual Financial Statement

December 31, 1956

ASSETS

U. S. Government Bonds	\$2,101,822.77
Cash in Banks	1,524,248.52
Municipal Bonds	754,318.20
Stocks	510,116.25
First Mortgage Loans (Real Estate)	543,045.00
Premiums in Course of Collection	
(not over 90 days due)	1,081,543.93
Accrued interest and Other Assets	60,035.16
TOTAL ADMITTED ASSETS	\$6,575,129.83

LIABILITIES

Reserve for Losses and Loss	
Adjustment Expense	\$2,888,058.70
Unearned Premium Reserve	2,531,291.93
Reserve for Taxes	49,000.00
Reserve for All Other Liabilities	88,299.88
Capital	\$600,000.00
Surplus	418,479.32
SURPLUS TO POLICYHOLDERS	1,018,479.32
TOTAL LIABILITIES AND SURPLUS	\$6,575,129.83

Coverages Written:

Full Coverage AUTOMOBILE Including, Garage, Long Haul, Taxicabs, Liquid and Propane, Truckers, Burglary, Beauty Shop, Boiler and Machinery, Comprehensive, Elevator, Liquor, Malpractice, O. L. & T., and Manufacturers Liability, Plate Glass, 50/50 and Full Coverage Workmen's Compensation (1 and 3 Year Policies). Fire and Marine, Fidelity and Surety, Accident and Health.

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ICT Officers Seek to Recover \$1.8 Million from BenJack Cage

AUSTIN—Some of the details of alleged deals and activities of BenJack Cage, former president and manager of ICT of Dallas, now in temporary receivership, were unfolded by present officers of the company and of Texas Federation of Labor at an extended press conference in Austin last week.

The disclosures were made in support of the stockholders' efforts to recover \$1.8 million from Jack Cage & Co., former management firm for the company headed by BenJack Cage, and also to reveal in advance some of the records that will be submitted to legislative investigators following expected approval of an official investigation of the Texas insurance business, already voted unanimously by the house.

The speakers at the press conference were James G. Cage, present head of the company and a distant relative of BenJack Cage; Jerry Holleman, executive secretary of the state labor group, of which some 14,000 members and union locals are ICT stockholders, and Otto Mullinax, Dallas labor lawyer.

The trio exhibited seven CPA audit reports made after Mr. Holleman and other members of the labor-dominated board were tipped off by a former employee of alleged deals which, it was said, involved use of company funds to carry on dealings with at least 74 companies from Alaska to the Canal

Zone. Various items of expense, such as \$850 for "Anita Ekberg" and \$1,100 for a trip to Havana, were included in the reports, it was reported.

Mr. Mullinax elaborated on operations of the management firm, Jack Cage & Co., familiarly known as "JACCO," which got a contract to manage ICT at a fee of 15% off the top plus a 20% commission for selling stock, of which some \$15 million was sold. However, said Mr. Mullinax, instead of turning over the 80% of stock sale proceeds to the insurance company, the management firm carried the amounts in its accounts as money due to ICT and used the cash to carry on operations covering 22 states and Alaska. Mr. Mullinax estimated that JACCO received about \$5 million on its management contract and about \$3 million from stock sale commissions.

One of the alleged transactions detailed by Mr. Holleman took place at a directors meeting July 15, 1955, at BenJack Cage's Lazy C Ranch at Sugarland, Texas. At that time, he alleged, Mr. Cage got the directors to write off more than \$965,000 when they put their names on a blank piece of paper. He said that he and Mr. Mullinax later contacted the directors who had attended the meeting and that none of them could recall any discussion about writing off the \$965,000 item or of being asked to approve it at that meeting, although they did remember signing a blank paper.

This item, it was explained, forms the largest claim in the move to recover \$1,800,000 from JACCO. Other items are \$656,848 for fees collected for services not rendered since cancellation of the contract in late January, 1956, and about \$350,000 allegedly

collected in excess of the stock sale commissions.

"We would be awfully happy if BenJack would come through on one of these three items," said Mr. Mullinax, "and nothing else. But we feel that it is more than he can pay."

BenJack Cage is reported to be in Colorado selling uranium stock.

Explain "Mr. X" Offer

"Mr. X, an unnamed wealthy Texan," who was publicized as the negotiator that might salvage the tottering ICT, was actually an 11-man syndicate of life insurance executives, it was learned last week. This was revealed by Pioneer Fisher, president of InsurOmedic Life of Dallas, who said that he served as spokesman for a group of his associates in the unsuccessful week-long negotiations with James G. Cage and other ICT officials.

While details of the negotiations were held confidential, Mr. Fisher said the key in the deal was acquisition of the 86% stock control of ICT Life, now held by the fire and casualty company. For this control Mr. Fisher and his associates offered \$900,000 plus \$100,000 to cover what Mr. Fisher described as a "co-reinsurance deal" involving a special arrangement with still another company.

The ICT Life deal, it was explained, was contingent on reaching an agreement on a more complicated give-and-take proposal that was designed to bail out the hard-pressed ICT and put it back into limited operation. It was on this second part of the program that the negotiations collapsed.

In brief, the Fisher group offered \$825,000 for 54% of the stock of ICT contingent on present stockholders contributing \$675,000 to save the company. This total of \$1.5 million was the sum that had been determined by Mr. Cage and the board of insurance commissioners as necessary for the company's continuance.

Mr. Fisher emphasized that his associates "were not interested" in owning a fire-casualty insurer but were willing to keep it in operation until a purchaser could be found or until stockholders would buy back the controlling shares. This part of the deal, it was pointed out, meant acceptance by stockholders of the fact that their initial investments "had gone down the drain" but that they might in time recover some of their losses.

The conferees, said Mr. Fisher, were unable to compromise their differences prior to the deadline for the show-cause hearing called by the department in Austin, Feb. 19, when Mr. Cage's plea for a 10-day extension was denied. Since the company is in temporary receivership, some have expressed hope that major items in the deal may yet win court approval after being submitted by the liquidator.

Markel Service Makes Field Force Transfers

Jack R. Anderson, manager of Markel Service at Houston has been transferred to Richmond as a claims examiner. E. J. Pyburn, claims manager in Jackson, Miss., replaces him in Houston, and is succeeded in Jackson by Clyde V. Eubanks, manager of the Denver office. Laurence Doyle, claims adjuster in Chicago, has been named Denver manager.

Badger Mutual Premiums up 21%

Badger Mutual of Milwaukee had a 21.7% increase in premiums and a 12.3% increase in assets in 1956. Losses incurred were \$3,045,886, \$1,119,902 more than the previous year. Premiums totaled \$7,534,080.

Sues Four Agencies of Defunct Insurer for Accounts Receivables

INDIANAPOLIS—Thomas Mahaffey, receiver for Franklin General and Firemens & Mechanics, has filed suit against four Indianapolis agencies for \$138,000 which he contends is owed to the two involuntarily Indiana special charger companies. Suits were against Reliable Insurance Agency Inc., for \$89,000; W. S. Hendrickson Inc. for \$22,000; Triangle agency for \$20,000; and Western & Central agency for \$7,000. Mr. Mahaffey hopes to establish precedent in this litigation whereby he can also collect accounts receivables from other agencies. The four agencies sued are said to have the largest accounts with the companies of the 700 that represented Franklin General and Firemens & Mechanics.

Other developments with the receiverships include the passing of the closing date on claims against the companies and an injunction to halt the sale of collateral assets by an Indianapolis bank. Although Mr. Mahaffey says the volume of claims against the companies is "so imposing that we haven't had a chance to run a tape to total them," he estimated the amount is well in excess of \$1 million.

The temporary injunction was to halt the sale of collateral assets by the Fidelity Bank & Trust Co. The bank had reportedly sold 100,000 shares of Capitol Indemnity stock for \$200,000, which Mr. Mahaffey feels is too low and would damage the chances of creditors of the companies. Hearing on the order was continued. It is interesting to note that Frank McKinney, president of Fidelity, was the arbiter in the well-publicized stock hassle between Franklin General and Capitol Indemnity. The bank is reported to have made a loan to Franklin General, against which the Capitol Indemnity stock was posted as collateral.

Capitol Indemnity continues to operate in a solvent condition according to the most recent reports by president Howard Moon.

Eaton County (Mich.) Agents Elect

Eaton County (Mich.) Assn. of Insurance Agents has elected Roy Heminger president; Stuart Doty vice-president; Michael Montie secretary-treasurer; Robert Russell and William Powers, trustees, and Stuart Bearup, advisory board member.

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Formerly Northwestern Mutual Fire Association

Asks Autonomy for Ohio Department in Cincinnati Talk

CINCINNATI—In his first public appearance here as Ohio insurance superintendent, Arthur I. Vorys made a decided hit before an overflow luncheon meeting of Cincinnati Underwriters Assn. In his talk he developed two principal points: The inadequacy of the present insurance division in the face of its rapidly growing load and the fact that most of today's insurance problems are competitive, with consequent responsibility on both insurance men and insurance supervisors to protect the public from the evils of unrestrained competition.

Opening with a humorous description of his first six weeks in office, Supt. Vorys said they were vastly different than expected and he has learned that superintendents do their office work at night and listen to complaints during normal business hours. He had not been in office 15 minutes before he was on the receiving end of an indignant telephone call about some previous department action and such calls have continued unabated. He also spends much time listening to "scandalous stories" about competitors of whoever is in his office at the moment.

To show the need for expansion, Mr. Vorys reviewed the duties of each section of the department, pointing out that the volume of work has doubled in nine years, with no increase in personnel. There is not even room to add more employees, the number of square feet allotted to the department by accepted management standards being less than half what it should have now. For example, the three people in the filings section last year had to examine 12,000 filings. It should be remembered, Mr. Vorys said, that the fabulous growth of the insurance business during the past 10 years is continuing, so the urgency of expanding the department will continue. He said the passage of the administration-sponsored bill to remove the insurance division from the department on trade and commerce and make it an independent department, as has been done in the 20 other leading insurance states, would make for a new era in insurance supervision and would demonstrate to Washington that Ohio is accepting the responsibilities placed upon it by the McCarran act.

Mr. Vorys said he wishes any federal official who doubts that there is free competition in insurance could sit at his desk for a few days. He is convinced that competition is at the base of most current problems, though frequently the argument revolves around some established feature of insurance law or practices and it takes some searching to find the competitive cause. The insurance business is guaranteed competition by law and the insurance department is committed to preserve this, as long as all that happens is that competitors are annoyed. But uncontrolled competition can hurt policyholders and the insurance department must see that this does not happen. Mr. Vorys said he is impressed by the innate fairness of most insurance men and he intends to invite leaders of different segments of the business to meet with him and to try to settle serious competitive problems by face to face discussions.

Hartford Group Shows Pluses at All Points for 1956

Hartford Fire group's written premiums in 1956 reached \$360,742,079, up 5.04%. The pre-tax statutory underwriting gain was \$786,052, a decrease of \$19,830,631. Earnings for the group, pre-tax, were \$20,198,774, compared with \$40,878,357.

Federal income taxes incurred were \$4,336,092, \$391,156 chargeable to underwriting operations, the remainder to investment income.

Assets reached \$717,631,064, an increase of \$16,656,401. Policyholders surplus climbed to \$304,194,344, an increase of \$4,056,523.

The property insurers in the group had a ratio of incurred losses to earned premiums of 52.73, up 5.04 points. Incurred expenses to earned premiums were 48.2%, a rise of 1.5 points. The fire companies had an underwriting loss of \$1,475,998 on premiums of \$160,007,593. The latter is a 1.62% increase. At Dec. 31 the group carried on memorandum account \$51,600,000 of unrecorded premiums on fire and extended coverage business written under installment plans. At the end of 1955 this figure was approximately \$36 million.

Casualty operations produced an underwriting gain of \$22,166,604 on written premiums of \$199,668,313. The latter was an increase of 7.9%. The casualty expense ratio was 41.73 to earned premiums, up slightly over 1955, and losses accounted for 57.16%, a rise of 4.83 points.

Hartford Live Stock had an under-

Bituminous Casualty Underwriting Profit \$1,042,000 in '56

Bituminous Casualty has reported an underwriting profit of \$1,042,000 for 1956, as compared to \$231,000 for 1955 and \$618,000 for 1954. Total premiums written in 1956 rose to \$23,000,000, a record for the company and an increase of \$2,200,000 over last year.

The underwriting profit, combined with investment income of \$822,000 resulted in an increase in surplus to a total of \$10,120,700 compared to \$9,265,726 at the end of 1955.

Assets increased to \$45,150,000 in 1956 from \$41,900,000 in 1955 and cash and invested assets rose to \$41,711,000 as compared to \$38,547,000 the year before.

Workmen's compensation premium writings accounted for 72.6% of the total, an increase of 14%.

Norfolk (Va.) Agents Elect Truitt

William D. Truitt has been elected secretary-treasurer of Norwalk Norfolk (Va.) Assn. of Insurance Agents. He replaces John Cahill, secretary-treasurer since 1936, except for 1940-41, when he was president. President Linwood G. Robinson and the other officers were reelected. D. E. Gardner, George T. Gray Jr., R. M. Marshall, H. T. Kelling, B. G. Savage, and Mr. Cahill were named to the board.

writing profit of \$95,446 compared with \$219,614 the preceding year.

Net investment income for the group before federal taxes was \$19,503,262, an increase of 10.1%.

Marshall to Head Mutual Alliance PR Department

A public relations department has been established by American Mutual Insurance Alliance, and David Marshall, in charge of advertising for Nationwide Mutual, has been named director.

Activities of the new department will include republishing of *Journal of American Insurance* as a monthly magazine, of which L. A. Fitzgerald will continue as editor as well as director of information for the association.

Mr. Marshall has been with Nationwide Mutual seven years as director public information and public relations planning, and for the past year as director of advertising. Previously, he had been with Gardner Advertising Co. at New York, and American Airlines and Curtis-Wright Corp. as assistant director of public relations. He is presently on the public relations committee of National Assn. of Mutual Insurance Companies.

Mr. Fitzgerald joined the alliance in 1936 and since then has directed the association's information and publication activities as well as edited the *Journal*. From 1951 through 1953, he was secretary of the anniversary committee which helped direct the national observance of the 200th anniversary of mutual insurance in this country.

Cherry to Oklahoma Field

Western Millers Mutual of Kansas City has appointed James Cherry as special agent in Oklahoma.

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New Hampshire Fire Reports for 1956, Promotes Officers

Premiums written by New Hampshire Fire group increased in 1956 by 8.5% to reach \$33,624,520, President Lester S. Harvey reported to stockholders. Almost all underwriting lines contributed to the rise, he said.

Assets climbed \$4,080,865 to \$71,739,354. Investment income rose 13.1% to \$1,601,554. Unearned premium reserves went up \$1,551,262 to \$27,006,954.

Underwriting operations of the group produced a loss of \$2,582,255, Mr. Harvey said. Policyholders surplus was \$23,080,144, compared with \$23,747,506. The ratio of losses and loss expenses incurred to premiums earned rose from 60.7% in 1955 to 64.5%, while underwriting expenses incurred to premiums written was 41.5%, compared to 41.1%.

Investment and underwriting operations, after federal taxes, gained \$590,034, compared with \$1,194,804 in 1955.

The group has elected Lawrence C. Hall and Clark B. Bristol vice-presidents, Ellis S. Perrigo secretary, and Leslie A. Burton assistant secretary.

Mr. Hall joined New Hampshire Fire in 1944, was named assistant secretary in 1951 and secretary in 1953. Mr. Bristol was named executive vice-president of American Fidelity in 1950 and secretary of New Hampshire Fire and of Granite State Fire in 1953. Mr. Perrigo went to the group from General Adjustment Bureau as state agent in Maine in 1947. He was elected assistant secretary of New Hampshire Fire and Granite State Fire in 1955. Initially a state agent, Mr. Burton has been bond superintendent of American Fidelity.

Directors Ralph A. McIninch and J. Fred French of New Hampshire Fire were named to the board of Granite State Fire.

Small Loss in '56 for Kansas City F.&M.

In its year-end report, Kansas City F.&M. showed a net loss for 1956 of \$36,212, compared to a net profit of \$235,066 at the close of 1955.

Morton T. Jones, president, said that the rising loss cycles, together with increased costs of repairs and replacements "produced one of the most unfavorable underwriting results in history. It is perhaps too early to forecast a change in the trend, but Kansas City Fire & Marine has noticed some improvement since the start of 1957."

The company's 1956 statutory underwriting loss was \$529,584, compared to a profit of \$141,531 in 1955. Investment earning rose from \$173,635 to \$190,864, almost 10%. Income taxes developed a credit of \$109,249, opposed to an \$86,584 debit the preceding year. The estimated equity in the increase in unearned premium reserve was \$191,373.

Total premiums written, before reinsurance, amounted to \$11,751,083, down \$1,720,188. Net premiums rose 33.6% on all lines except automobiles, and the amount of business reinsured was \$5,720,905, a decline of 28%.

Loss ratio increased 4.03% to 64.96% and underwriting expense ratio rose from 36.8% at the end of 1955 to 44.67% as of Dec. 31, 1956. After dividend payments of \$125,000, earned surplus decreased \$343,644 to \$2,618,353; total assets for the company were \$10,204,955, as against \$11,098,369 at the close of 1955.

Kramer Minneapolis Manager

Employers Mutuals of Wausau has appointed Ralph M. Kramer Minneapolis branch manager, to succeed Roy Elwess, resident vice-president, who is retiring.

Mr. Kramer joined the group in 1928, served as safety engineer and accident prevention manager in Chicago, and was named branch sales manager in Minneapolis in 1954.

UJF Bill Reported Favorably in S. C.

The unsatisfied judgment fund bill in South Carolina has been reported out favorably by the senate judiciary committee. Opposed by American Mutual Alliance, the bill is supported by South Carolina Assn. of Insurance Agents and other insurance interests.

The bill would assess uninsured motorists \$10 for the fund and up to half of 1% of auto premiums of insurers. The unsatisfied claim and judgment fund board would consist of the state highway commissioner, insurance commissioner, four insurer representatives, and a member of the agents association.

Among bills opposed by the agents are a comparative negligence measure and a bill to make city, county or state governments liable to the extent of liability insurance carried by them.

Chicago Fire Protection Engineers Elect Lubber

Chicago chapter of Society of Fire Protection Engineers have elected Morton E. Lubber, Steel of Chicago, president; Abel H. Gent, Illinois Inspection Bureau, 1st vice-president; Ralph B. Sullivan Jr., Standard Oil Co. of Indiana, 2nd vice-president, and Charles A. Hawkins, Cook County Inspection Bureau, secretary-treasurer. Glenn Kientz, H. G. Vogel Co.; Charles Rowley, American Manufacturers Mutual; Clarence W. Price Sr., Marsh & McLennan, and Ray A. Sapp, American District Telegraph Co. were named to the executive committee.

Pittsburgh Women to Hold "E-Day" April 13

Insurance Women of Pittsburgh will hold their second annual education day, April 13. Guest speakers will be David J. Sherwood, eastern fire manager of Fireman's Fund; Frank R. Reilly, assistant secretary of AFCO Time Payments, and Kenneth C. Edgar, superintendent of casualty of U.S.F.&G.

N. H. Governor Advocates UJF

Gov. Dwinell of New Hampshire favors legislation which would protect his state's motorists against uninsured drivers, but is opposed to auto compulsory. The governor expressed his views on a recent TV newscast, and suggested New Hampshire consider creating an unsatisfied judgment fund such as that of New Jersey. Bills for both auto compulsory and UJF have been introduced in the legislature.

Toledo Agents Elect Corns

Leon Corns has been elected 1957 president of Toledo Assn. of Insurance Agents. Other officers are William Johnson, 1st vice-president; Richard L. Lehman, 2nd vice-president, and Howard W. Adkins, secretary-treasurer.

Region V Women Plan Conference

National Assn. of Insurance Women, Region V, will hold its annual conference in Minneapolis March 29-31. Commissioner Sheehan of Minnesota will speak on "Inspire Insurance Industry Interest."

Arnold Porter Joins Kemper Group

Arnold Porter has joined the fidelity, burglary and surety division of Kemper group in an underwriting capacity. He has been in the business since 1928.

Insurance Women's Club of Staten Island, N. Y., celebrating its 21st anniversary, has elected Mrs. Sue DiMarco president, Mrs. Anita Volz vice-president, Mrs. Marie Miller secretary, and Miss Gladys Brandt treasurer.

Phoenix of Hartford Premiums Rise but Underwriting Is Off

Premiums written by Phoenix of Hartford group increased 5% in 1956 to reach a record \$82,454,000.

Assets advanced \$5 million to \$216,350,000. Policyholders surplus and capital totaled \$115,760,000. Net investment income rose \$5,811,800, a gain of 5%.

The underwriting loss was \$6,665,000. Net losses incurred increased \$2,358,547 to \$43,104,148. The over-all loss ratio was 56.3%, the loss adjustment expense 6.5%, and all other expenses including taxes and commissions ran 44.4%. Net income after taxes was -72 cents per share compared to \$3.63 per share in 1955. Book value per share, however, rose \$1.07 to \$115.76.

Six Texas Locals Elect

Six local agents' associations in Texas have elected new officers. The associations and their officers are:

Amarillo: Rufus Gaut, president; Edward Fancher, 1st vice-president; John Boyce Jr., 2nd vice-president, and J. E. Spann, secretary (reelected).

McAllen: Leland F. Byers, president; W. E. Whitsitt, vice-president, and J. Russell Weil, secretary.

Plainview: James W. Davenport, president; Dan McNaughton, vice-president, and Clarence F. Parker, secretary.

Tyler: Thomas Bradshaw, president; Robert Prestridge, vice-president, and Harold S. Phipps, secretary. Waco: Thomas Stribling, president; E. L. Humphreys Jr., vice-president, and Paul M. Cunyus, secretary (reelected).

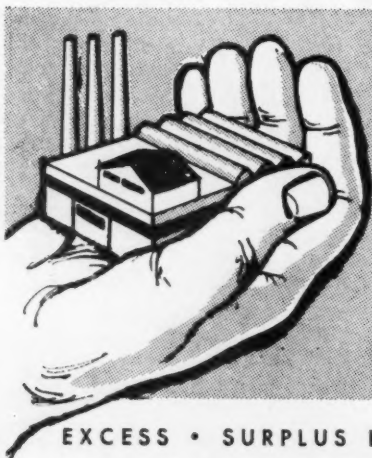
Wichita Falls: John Barnard Jr., president; Russell Kolp, vice-president, and Miss Winnie Foster, secretary (reelected).

Wis. 1752 Club Elects

Wisconsin 1752 Club has elected John J. Kraniak, Shelby Mutual, president, to succeed Paul Pleuss, Manitowoc Mutual. William B. Rowe, Midwest General agency, Eau Claire, was elected vice-president and E. J. Bohn, West Bend Mutual, was elected secretary-treasurer.

Tentative plans have been made by the club for regional meetings this spring and for workshop meetings to be held again next fall.

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Insurer Pessimism About 1957 May Bring More Careful Underwriting

BY HOWARD J. BURRIDGE

Since the annual statements of the fire and casualty companies have begun to reveal the very much higher than average underwriting losses incurred in 1956, there has been a growing amount of pessimistic comment about the results that may be expected in 1957. In some instances, company executives already have convinced themselves that the underwriting record this year is going to be no better and may possibly be worse than in 1956.

To us it seems too early in the year to decide what the experience for the full 12 months is going to be. Before commenting on the probable or possible underwriting records that may be sustained it seems appropriate to consider briefly the investment outlook.

With all of the larger companies, investment income has become more important than underwriting results. Many of the big companies have heavy commitments in common stocks and while the market prices of these are not advancing, and may in fact sustain some decline during the year, there seems to be little possibility of any reduction in their dividend income. To say the worst, general business may slow down somewhat during this year. But the kind of securities that are in the investment portfolios of the fire and casualty companies are not going to show a drop in dividend payments, and there is at least an even chance that as a whole they may show no decline or only a slight one in total market value. In other words, the investment outlook is not bleak. On the contrary it seems reasonable to believe that it will continue to be good and that it could actually record an improvement over last year.

It should be remarked that most of those who have expressed concern over this year's operations have not commented unfavorably upon the investment picture. With the great majority fears have been expressed as to the underwriting situation and the indications that it may not improve in 1957. If it is recognized that there are no dark clouds on the investment horizon, at least as regards a continuance of dividend income, then it might be said that the underwriting problems are the only ones to be thought of unfavorably.

It is certainly true that the underwriting outlook is not encouraging. The loss ratio in most major classifications continues to be high. New and recent developments are disheartening such as the church fires that have been so prevalent in several parts of the country, and which are plainly the work of arsonists, and the quite unexpectedly heavy loss ratio on older buildings in many localities. There are numerous instances of fire departments showing an inability to confine fires to the building of their origin, with the result that in a surprising number of cases several buildings in a city block will burn instead of only the building where the fire began. There are plenty of fire underwriters who are convinced that such a thing would not have happened even so recently as five years ago.

Replacement costs are high (and rising), small claims are more numerous, explosions of various kinds are much more common than they were

a few years ago, and it is difficult to point to any phase of fire and casualty underwriting that tends to show a consistent improvement.

There will be some relief in the way of higher rates this year, but the real affect of any advance in rates will not be felt until 1958 or later.

Everyone recognizes that automobile losses present the most formidable problem. The number of automobile accidents, fatalities and physical damage claims continues to increase at a rate that is nothing less than alarming. Those who are closest to this problem do not try to pretend that is likely to

improve in 1957. The fancy new models are of such a design as to make it almost certain that what might have been small losses a year or two ago are liable to become larger than average claims. There is no one willing to predict that the automobile results of 1957 are going to show an improvement over 1956. Higher rates will provide some relief but not enough. Underwriting will have to become tighter but cannot become too rigid for competitive reasons.

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(CONTINUED ON NEXT PAGE)

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(CONTINUED ON PRECEDING PAGE) of business there will have to be greater selectivity. Volume has been so heavy in recent years that there seems no question but that underwriting standards have been rather relaxed. Certainly some of the bigger companies have been relying too heavily upon the law of averages, believing that to take the large volume offered might very well produce average underwriting results. This has not proved to be the case. Careful, studious underwriting still is of prime importance in a business in which a company selects

a risk that is going to show either a loss or a profit. Classifications and standards that are too general may have to be revised. It is likely to be found that underwriting may have to be done more slowly and painstakingly and not on a "conveyor belt" basis.

Admittedly, the fire and casualty companies are in some trouble as regards their underwriting. The obvious cure seems to be to do the underwriting, the selection or rejection of risks, more carefully and more thoroughly than has been the case in recent years.

It seems probable that the companies unwilling to put rather less emphasis on volume and more on underwriting are the ones that may not produce any better underwriting results this year than last. The companies that are willing to tell themselves that they are in trouble, that their present methods of passing upon lines, yielding to pressure and pushing daily reports through for the sake of getting them out of the way, are going to end this year with a record that could be more discouraging than the sad results of 1956.

N. C., Va. Bureaus Ask Hail Changes

North Carolina Fire Insurance Rating Bureau has filed revised tobacco crop hail rates with Commissioner Gold, and Virginia Insurance Rating Bureau has asked the state corporation commission for permission to raise rates for hail cover on tobacco and tree fruits.

The North Carolina bureau asks for increases in 12 counties and decreases in 15 for the 1957 growing season. The changes would range from 50 cents to \$1.50 per \$100. It has also asked the hail policy expiration date be changed from Oct. 15 to Nov. 1 to conform with the expiration of other forms. Commissioner Gold will hold a hearing on the rates March 5.

The Virginia bureau asks increases ranging from 25 cents to \$2 for tobacco in 14 counties, decreases from 50 cents to 75 cents in six counties; increases from 50 cents to \$1.50 for tree fruit in four counties, and a decrease of 50 cents in one county. The changes would be per \$100 cover.

New Training Film on Auto PHD Adjusting

"Estimates in Action", a 30-minute, 16mm training film for adjusters handling auto PHD losses, has been released by Vale Technical Institute, Blairsville, Pa.

The film, sponsored by Calvert Fire, Nationwide group and State Farm Mutual Auto, illustrates the complete handling of an auto PHD claim, including estimates of damage, repairs, exposure of previous or old damage, and such items as overlap and included operations.

George Roberts and Andrew S. Loboda of Calvert Fire, Samuel Keene and Roy Lovell of Nationwide group, and Meredith K. Nelson, State Farm Mutual Auto, assisted in production of the film.

The film can be purchased through Vale Technical Institute, Blairsville, Pa., at a price of \$250. Copies are also loaned for management viewing prior to purchase.

Insurance Women Schedule Regional Convention Dates

National Assn. of Insurance Women will hold regional conventions in March. Conventions are scheduled as follows:

Region I, Mar. 29-31, Shoburn hotel, Atlantic City; Region II, Mar. 22-24, Noel hotel, Nashville; Region III, Mar. 29-31, Orange Court hotel, Orlando, Fla.; Region IV, Mar. 15-17, Sheraton-Mayflower hotel, Akron; Region V, Mar. 29-31, Radisson hotel, Minneapolis; Region VI, Mar. 15-17, Captain Shreve hotel, Shreveport; Region VII, Mar. 15-17, San Francisco hotel, Albuquerque; Region VIII, Mar. 29-31, Hotel Utah, Salt Lake City.

Davis, Dorland Elects

Ralph L. Lucas has been elected president of Davis, Dorland & Co., New York brokerage firm. James S. Jenkins, Edward A. Knowles, Abner Pomeranz, and Harry M. Rounds were named vice-presidents, Charles W. Holloway treasurer, and John W. McGowan assistant secretary. Mr. Jenkins also continues as secretary.

Mr. Lucas, son of the late Julian Lucas, the moving spirit behind the New York standard fire policy adopted in 1943, has been with the firm 35 years. Formerly a director and executive vice-president, he is also a director of Insurance Brokers' Assn. of New York State.

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26 Insured Pay \$272,728 for Inadequate Insurance When Needed—at Time of Loss

Herewith are presented another batch of underinsured losses from across the country which were furnished by several companies from their current reports, at the request of THE NATIONAL UNDERWRITER. These examples indicate how widespread and usual underinsurance is and how costly it is for insured. The 26 examples presented here add up to \$272,728.

The frequency of underinsurance (the severity is apparent) is evidenced by the comment of one insurance company executive, who said: "It was no trouble at all to find these losses. We simply took them out of the day's reports."

Another company president stated that "these cases illustrate quite forcibly the fact that on the average the regular insurance risk of normal value is rather badly underinsured." Still another official remarked that "since underinsurance seems to be the rule, rather than the exception, we could send you a much longer list." "It is strange how quickly another horrible example of underinsurance came across my desk," the loss executive of a fourth insurer remarked.

Additional examples will appear next week.

Boiler explosion and fire. (Arkansas) Brick mercantile building and contents with 90% coinsurance. Value \$670,000. Insurance \$475,000. Loss \$187,772. Loss to insured \$35,613.

Fire. (Connecticut) Frame dwelling and contents. Value \$7,500. Insurance \$5,000. Loss \$6,286. Loss to insured \$1,286.

Fire. (District of Columbia) Brick mercantile building with 90% coinsurance. Value \$282,734. Insurance \$236,000. Loss \$140,114. Loss to insured \$10,165.

Fire. (Idaho) Tavern building. Value \$6,989. Insurance \$3,500. Loss \$6,989. Loss to insured \$3,489. Contents of tavern building. Value \$4,300. Insurance \$2,000. Loss \$4,300. Loss to insured \$2,300.—Western of Kansas group.

Fire. (Illinois) Storage building. Value \$19,776. Insurance \$17,500. Loss \$19,776. Insured's loss \$2,276.—Western of Kansas group.

Fire. (Iowa) Dwelling contents. Value \$8,910. Insurance \$5,000. Loss \$8,910. Loss to insured \$3,910.—Western of Kansas group.

Fire. (Kansas) Building, grocery store. Value \$15,300. Insurance \$10,000. Loss \$8,993. Loss to insured \$1,629 because of 80% coinsurance clause.—Western of Kansas group.

Fire. (Louisiana) Tenant dwelling. Value \$8,500. Insurance \$5,000. Loss \$6,375. Insured's loss \$1,375.—Western of Kansas group.

Fire. On a brick mercantile building occupied as wholesale grocery and storage of men's clothing, insured carried total insurance of \$100,000, with 80% coinsurance being a part of the contract. A serious fire loss occurred, and in the course of the adjustment it was determined that the sound value of the building at the time of the loss was \$165,000. The total loss sustained was \$73,060 and because of the insurance deficiency the insured collected \$55,349. He was a coinsurer to the extent of \$17,711.—American group.

Fire. (Maine) Building. Value \$12,000. Insurance \$4,000, 80% coinsur-

ance clause. Loss \$7,057. Loss to insured \$4,117.

Fire. (Maryland) We carried insurance on a three story frame, approved roof, single occupancy dwelling in good repair. It burned to the ground on Jan. 18 and there was only \$6,000 insurance on the dwelling, with value and loss of \$21,921. In addition to this, insured had contents valued at \$4,000 and another company insured them for \$3,000 and will pay a total loss. Lastly, insured's son-in-law and daughter, who lived with her, had no insurance on their personal effects. Loss to insured, excluding relatives, \$16,921.—Springfield F.&M.

Fire. (Massachusetts) Brick mercantile building with 90% coinsurance. Value \$662,451. Insurance \$400,000. Loss \$39,353. Loss to insured \$2,951.

Fire. (Massachusetts) A woodworker had buildings used for mercantile and manufacturing and storage purposes, valued at \$30,000, with insurance of \$11,500, the policy being written with 80% coinsurance. Fire did damage amounting to \$6,000, of which insured collected only \$2,555 because of the operation of the coinsurance clause.—Agricultural.

Fire. (Missouri) Billiard parlor building. Value \$5,256. Insurance \$2,900. Loss \$5,256. Loss to insured \$2,356.—Western of Kansas group.

Fire. (Nebraska) Dwelling contents. Value \$7,748. Insurance \$4,275. Loss \$6,498. Insured's loss \$2,223.—Western of Kansas group.

Fire. (New Hampshire) Brick and frame school building and contents with 90% coinsurance. Value \$219,632. Insurance \$140,000. Loss \$91,632. Loss to insured \$26,966.

Fire. (New Jersey) Stock loss. Value \$23,060. Insurance \$10,000. Loss \$21,060. Loss to insured \$11,060.

Fire. (New Mexico) Actual cash value of farm and ranch residence \$21,000, insurance \$4,000. Value of contents \$4,000, insurance \$2,000. Fortunately the loss was only \$1,324 on building and \$60 on contents.—Gulf.

Fire. (New York) Frame dwelling with 80% coinsurance. Value \$52,500. Insurance \$35,000. Loss \$18,000. Loss to insured \$3,000.

Vehicular damage. (Western New York) This claim occurred when the dwelling of insured was severely damaged by a motor vehicle which went out of control on a curve at least 800 feet from the property, which itself was set well back from the road. The driver of the car, as well as the owner, is judgment proof, and the property damage liability on the car, which will be the only amount recoverable in subrogation, was for only \$5,000. The value of the property was \$18,000, with \$10,000 of insurance to pay a loss of \$11,900. Loss to insured \$1,900. Note how inadequate today is \$5,000 of property damage liability coverage.—Agricultural.

Fire. (Ohio) Building. Value \$67,852. Insurance \$36,000, 80% coinsurance clause. Loss \$33,874. Loss to insured \$5,704.

Fire. (Oklahoma) Concrete block building. Value \$4,500. Insurance \$2,250. Loss \$425.—Gulf.

Fire. (South Carolina) Frame mercantile building and contents. Value \$10,955. Insurance \$3,000. Loss \$10,955. Loss to insured \$7,955.

Fire. (Texas) Apartment garage. Value \$4,750. Insurance \$2,000. Loss

\$3,732. Insured's loss \$1,732.—Gulf.

Fire. (Texas) Two story, frame owner dwelling. Value \$3,750. Insurance \$1,000. Loss \$853. Unearned premium return, 20 cents.—Gulf.

Fire. (Vermont) Brick mercantile building. Value \$127,417. Insurance \$20,000. Loss \$127,417. Loss to insured \$107,417.

Mutual of Omaha Names C. C. Rose Assistant V-P

Charles C. Rose has been elected an assistant vice-president of Mutual Benefit H.&A. He has been claims coordinator since 1953, supervising claim operations. From 1949 to 1953 he was regional claims supervisor in Milwaukee for Wisconsin, Minnesota, Michigan, North and South Dakota. He joined Mutual of Omaha in 1937.

NYFIRO Governing Committee Elected

At its annual meeting New York Fire Insurance Rating Organization elected the following to three-year terms on the governing committee: W. W. Allen, vice-president of Home; R. P. Crawford, vice-president of Glens Falls; R. S. Garvie, vice-president of Aetna Fire; P. W. Newman, 2nd vice-president of Travelers Indemnity, and W. L. Nolen, U.S. manager of North British. Mr. Nolen is chairman. Kenneth O. Smith was re-appointed secretary-general manager, and Charles P. Cullen treasurer.

Harold G. Bittiker has taken over operation of Bittiker agency, Carrollton, Mo., from his mother, Mrs. J. B. Bittiker, who has operated the agency since the death of her husband.

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Companies Report on 1956 Results

Surplus in the following company reports refers to surplus to policyholders.

Anchor Casualty—Assets, \$14,722,648, incr., \$626,547; loss res., \$4,391,664; unearned prem., \$5,193,558; capital, \$1,300,000; surplus, \$3,645,952, incr., \$38,951.

	Premiums Earned	Losses Incurred
Fire	273,548	129,210
Extended coverage	179,108	67,768
Other allied lines	1,140	376
Homeowners mult. per.	2,490	1,475
Earthquake	115	

	Premiums Earned	Losses Incurred
Hail (growing crops)	104,449	80,025
Inland marine	57,632	34,742
Workmen's comp.	1,183,317	700,767
Liability (not auto)	888,168	369,024
Auto liability (BI)	2,465,608	1,425,545
Auto PDL	1,342,662	719,294
Auto phys. dam.	1,728,395	954,126
PDL (not auto)	224,747	99,199
Fidelity	147,971	65,674
Surety	607,471	183,330
Glass	102,713	55,636
Burglary, theft	183,114	79,909
Excess of loss	1,607	1,350
Total	9,494,255	4,967,451

Arkwright Mutual Fire—Assets, \$29,320,927, incr., \$619,228; loss res., \$977,155; unearned prem., \$11,679,769; surplus, \$16,153,302, incr., \$1,135,195.

	Premiums Earned	Losses Incurred
Fire	8,221,975	2,255,197
Extended coverage	56,646	1,138
Other allied lines	19,710	25
Earthquake	—25	
Total	8,298,307	2,256,360

Casualty Reciprocal Exchange—Assets, \$8,065,937, incr., \$148,125; loss res., \$2,632,968; unearned prem., \$2,216,427; surplus, \$1,872,531, incr., \$54,702.

	Premiums Earned	Losses Incurred
Fire	130,391	30,654
Extended coverage	44,415	18,120
Other allied lines	461	
Homeowners mult. peril.	384	441
Earthquake	655	

	Premiums Earned	Losses Incurred
Inland marine	10,294	3,390
Accident only (ind.)	1,032	770
Workmen's comp.	1,599,622	824,444
Liability (not auto)	266,026	78,356
Auto liability (BI)	2,106,086	1,123,172
Auto PDL	963,736	471,568
Auto phys. dam.	572,781	284,453
PDL (not auto)	64,952	21,444
Glass	10,110	4,258
Burglary, theft	22,367	4,342
Total	5,793,336	2,865,567

Craftsman, Boston—Assets, \$2,312,718, incr., \$46,487; loss res., \$707,375; unearned prem., \$379,559; capital, \$400,000; surplus, \$960,094, incr., \$55,794.

	Premiums Earned	Losses Incurred
Accident	116,188	43,119
A&S	1,568,014	923,063
Hospital & medical	3,759,520	2,130,032
Group A&S	13,912	13,847
Non-can A&S	14,738	8,468
Total	5,492,372	3,118,580

Employers Reinsurance—Assets, \$64,322,366, incr., \$3,008,473; loss res., \$25,874,021; unearned prem., \$12,138,301; capital, \$3,000,000; surplus, \$17,406,540, incr., \$1,388,914.

	Premiums Earned	Losses Incurred
Fire	2,219,997	1,076,000
Extended coverage	846,776	559,382
Other allied lines	30,588	21,674
Homeowners mult. peril	75,285	33,495
Earthquake	13,445	1,282
Hail (growing crops)	248,802	123,975
Inland marine	180,024	123,900
Accident only (ind.)	176,210	179,482
A&S (ind.)	935,157	289,811
Hospital & medical (ind)	3,300	253
Group A&S	751,285	477,555
Non-can A&S	94,207	65,026
Workmen's comp.	1,520,923	204,435
Liability (not auto)	1,146,254	173,507
Auto liability (BI)	7,950,351	4,242,945
Auto PDL	814,974	252,961
Auto phys. dam.	525,184	281,781
Aircraft PHD	841	—25
PDL (not auto)	168,789	116,658
Fidelity	699,833	187,503
Surety	2,919,996	1,025,782
Glass	11,814	—2,700
Burglary, theft	207,752	137,164
Boiler, machinery	70,009	18,200
Credit	389,764	—22,154
Total	21,999,560	9,722,009

Fidelity & Deposit of Baltimore—Assets, \$69,572,749, incr., \$1,086,022; loss res., \$6,273,434; unearned prem., \$18,002,548; capital, \$4,000,000; surplus, \$41,275,733, incr., \$1,694,441.

	Premiums Earned	Losses Incurred
Fire	9,809	14,324
Extended coverage	13,737	5,495
Homeowners mult. peril	70,496	40,690
Personal prop. floater	1,320,300	762,154
Workmen's comp.	68,172	908
Liability (not auto)	5,372,208	1,430,237
Fidelity	8,676,028	669,578
Surety	376,020	150,608
Glass	2,197,180	749,190
Burglary, theft	18,103,950	3,858,203
Total	21,999,560	9,722,009

General Casualty, Wisconsin—Assets, \$15,321,063, incr., \$183,044; loss res., \$4,416,677; unearned prem., \$3,929,216; capital, \$1,000,000; surplus, \$5,673,867, incr., \$112,921.

	Premiums Earned	Losses Incurred
Fire	7,170	7,384
Extended coverage	4,505	1,417
Homeowners mult. peril	1,714	478
Inland marine	521	74
Accident only (ind.)	445	242
Hospital & Med. (ind.)	10,665	4,612
Workmen's comp.	216,138	110,497
Liability (not auto)	614,685	214,569
Auto liability (BI)	3,433,275	1,995,609
Auto PDL	1,715,189	745,845
Auto phys. dam.	2,414,508	1,127,974
PDL (not auto)	185,131	53,529
Glass	56,887	21,269
Burglary, theft	140,075	37,276
Total	8,800,903	4,320,773

Harleysville Mutual Casualty—Assets, \$30,903,208, incr., \$1,416,139; loss res., \$5,511,921; unearned prem., \$6,183,691; surplus, \$6,882,903, incr., \$488,657.

	Premiums Earned	Losses Incurred
Fire	5,113	4,506
Extended coverage	1,275	933
Homeowners	1,082	61
Inland marine	2,697	518
Workmen's comp.	496,015	226,089
Liability (not auto)	426,460	66,420
Auto liability (BI)	7,209,646	3,868,958
Auto PDL	4,215,244	2,464,994
PDL (not auto)	100,352	61,463
Glass	39,271	17,760
Burglary, theft	50,360	19,421
Total	12,547,515	6,771,121

Inter-Ins. Exchange, Chicago Motor Club—Assets, \$17,606,345, incr., \$1,556,633; loss res., \$4,352,553; unearned prem., \$4,631,759; surplus, \$3,873,356, decr., \$745,622.

	Premiums Earned	Losses Incurred
Auto liability (BI)	3,018,066	2,380,958
Auto PDL	1,740,381	1,075,584
Auto phys. dam.	3,891,035	1,921,886
Auto medical	754,841	463,965
Total	9,404,323	5,842,433

Iowa Mutual, De Witt—Assets, \$11,510,034, incr., \$593,894; loss res., \$2,846,553; unearned prem., \$5,753,141; surplus, \$2,208,962, decr., \$214,175.

	Premiums Earned	Losses Incurred
Fire	1,684,778	776,333
Extended coverage	850,897	498,553
Other allied lines	25,332	15,206
Homeowners	26,462	8,891
Commercial mult. peril	953	49
Inland marine	275,541	139,867
Workmen's comp.	1,399,000	953,060
Liability (not auto)	471,676	115,692
Auto liability (BI)	2,086,940	1,114,567
Auto PDL	1,393,001	806,118
Auto phys. dam.	1,537,414	1,087,342
PDL (not auto)	191,525	55,843
Fidelity	8,658	9,061
Surety	8,270	
Glass	78,780	31,845
Burglary, theft	140,807	79,530
Medical	391,917	196,694

SECURITY ★ STRENGTH ★ SERVICE

UNITED STATES RESOURCES AS OF DECEMBER 31, 1956

Year Established		ASSETS			LIABILITIES	CAPITAL	SURPLUS TO POLICYHOLDERS (Includes Capital)	
		Securities Deposited as Required by Law	Other Admitted Assets	Total Admitted Assets			Annual Statement Basis	Market Value Basis
1896	American and Foreign Insurance Co.	\$ 421,000	\$ 25,171,689	\$ 25,592,689	\$ 15,272,596	\$ 1,500,000	\$ 10,320,093	\$ 8,798,238
1863	*The British and Foreign Marine Insurance Co. Ltd.	1,000,000	15,315,811	16,315,811	9,643,766	* 500,000	6,672,045	5,679,720
1911	Globe Indemnity Company	1,094,310	78,458,408	79,552,718	45,799,717	2,500,000	33,753,001	29,480,282
1836	*The Liverpool and London and Globe Ins. Co. Ltd.	1,266,199	54,862,387	56,128,586	33,805,705	* 500,000	22,322,881	18,752,533
1811	Newark Insurance Company	782,000	32,270,825	33,052,825	20,016,449	2,000,000	13,036,376	11,220,760
1891	Queen Insurance Company of America	800,151	82,752,161	83,552,312	50,529,213	5,000,000	33,023,099	27,789,659
1910	Royal Indemnity Company	1,138,911	88,905,820	90,044,731	53,751,632	2,500,000	36,293,099	31,527,097
1845	*Royal Insurance Company, Ltd.	1,219,321	63,390,680	64,610,001	40,508,301	* 500,000	24,101,700	20,721,007
1896	Star Insurance Company of America	421,000	27,507,919	27,928,919	16,747,415	1,000,000	11,181,504	9,484,586
1840	*Thames and Mersey Marine Insurance Co., Ltd.	1,000,000	9,047,057	10,047,057	5,837,559	* 500,000	4,209,498	3,648,042
1832	Virginia Fire and Marine Insurance Company	421,000	9,612,362	10,033,362	5,902,199	1,000,000	4,131,163	3,588,756
†	Group Total-Consolidated	\$9,563,892	\$484,561,917	\$494,125,809	\$297,814,552	\$16,500,000	\$196,311,257	\$167,957,478

†Consolidated Group total eliminates ownership of Virginia Fire and Marine Insurance Company stock by Globe Indemnity Company.

*United States Branch. The amount shown under "Capital" is the statutory deposit required to transact business in the U. S. A.

CASUALTY—SURETY—FIRE—MARINE

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IOWA MINNESOTA DAKOTAS NEBRASKA MISSOURI ILLINOIS WISCONSIN

INDIANA MICHIGAN KANSAS OKLAHOMA COLORADO NEW MEXICO

	Premiums Earned	Losses Incurred
Catastrophe	63,119	3,336
Total	10,808,832	5,837,836
Kansas City F&M—Assets, \$10,204,955, decr., \$893,414; loss res., \$999,682; unearned prem., \$4,575,144; capital, \$1,000,000; surplus, \$3,618,353, decr., \$343,646.		
Fire	1,145,662	575,387
Extended coverage	595,576	260,351
Other allied lines	9,969	1,472
Homeowners mult. peril	41,768	27,030
Commercial mult. peril	239	
Earthquake	8,109	38
Hail (growing crops)	55,398	46,041
Inland marine	270,626	161,960
Aircraft accident	65	
Liability (not auto)	64,963	22,926
Auto liability (BI)	422,300	282,750
Auto PDL	230,942	165,238
Auto phys. dam.	3,289,526	2,028,672
Aircraft PHD	3,523	1,987
PDL (not auto)	6,472	1,730
Glass	12,304	6,465
Burglary, theft	20,578	6,674
Total	6,178,068	3,589,729
Liberty Mutual—Assets, \$50,745,226; incr., \$1,395,883; loss res., \$8,887,048; unearned prem., \$23,608,004; capital, \$750,000; surplus, \$15,740,428, incr., \$344,061.		
Fire	9,891,441	4,048,493
Extended coverage	3,492,413	757,964
Other allied lines	79,851	13,317
Homeowners mult. peril	2,358,257	729,317
Commercial mult. peril	61,921	58,095
Earthquake	68,932	1,604
Ocean marine	223,429	225,846
Inland marine	3,071,624	1,161,878
Liability (not auto)	29,995	3,495
Auto liability (BI)	3,545,661	2,500,941
Auto PDL	1,672,715	923,654
Auto phys. dam.	1,285,156	599,294
Aircraft PHD	84,304	21,134
PDL (not auto)	6,291	2,501
Glass	6,340	4,640
Burglary, theft	10,425	14,060
Excess of loss reins.	328,923	53,627
Total	25,559,852	11,119,860
Merrimack Mutual Fire—Assets, \$17,240,470, incr., \$1,504,438; loss res., \$660,237; unearned prem., \$8,697,262; surplus, \$7,013,443, incr., \$587,054.		
Fire	4,253,358	1,820,647
Extended coverage	2,032,577	472,151
Other allied lines	25,092	3,562
Homeowners mult. peril	284,258	118,797
Earthquake	3,217	
Inland marine	179,463	115,809
Liability (not auto)	6,591	591
Auto phys. dam.	1,454,261	754,143
Glass	641	240
Burglary, theft	8,848	514
Catastrophe & excess	203,875	53,475
Total	8,044,531	3,232,979
Michigan Millers Mutual—Assets, \$21,817,557, incr., \$321,999; loss res., \$1,678,213; unearned prem., \$10,267,596; surplus, \$7,745,560, decr., \$382,598.		
Fire	7,272,421	3,192,844
Extended coverage	1,953,544	958,679
Other allied lines	211,218	73,440
Homeowners mult. peril	379,479	159,487
Commercial mult. peril	4,620	1,551
Earthquake	20,334	13
Inland marine	283,713	167,688
Comp. dwg. end.	289	1,379
Liability (not auto)	63,075	16,267
Auto liability (BI)	354,648	187,602
Auto PDL	233,311	124,246
Auto phys. dam.	1,059,989	593,974
PDL (not auto)	2,022	170
Glass	48,732	26,063
Burglary, theft	59,000	23,155
Excess cover	170,292	70,072
Total	11,776,106	5,596,734
Michigan Mutual Liability—Assets, \$61,837,371, incr., \$2,201,496; loss res., \$29,863,635; unearned prem., \$13,797,199; surplus, \$12,484,614, decr., \$295,246.		
Fire	477,335	197,062
Extended coverage	196,151	163,367
Other allied lines	289	847
Homeowners mult. peril	44,984	18,041
Commercial mult. peril	50	82
Earthquake	2,664	2,545
Inland marine	3,970	1,948
Auto Accidents	56,950	19,285
Group A&S	82,186	47,505
Workmen's comp.	19,796,845	11,567,734
Liability (not auto)	2,864,392	1,274,204
Auto liability (BI)	6,845,706	4,907,404
Auto PDL	4,505,313	2,332,036
Auto phys. dam.	5,325,273	2,476,176
PDL (not auto)	1,010,139	439,474
Glass	23,396	11,970
Burglary, theft	32,794	7,798
Pools & Associations	176,995	83,112
Total	41,445,421	23,549,620
Milwaukee Automobile Mutual—Assets, \$11,450,402, incr., \$661,632; loss res., \$3,217,642; unearned prem., \$2,326,231; surplus, \$4,808,462, incr., \$448,155.		
Fire	2,934	293
Extended coverage	2,117	820
Homeowners mult. peril	159	10
Auto liability (BI)	142,812	66,275
Auto PDL	2,802,586	1,506,621
Auto phys. dam.	1,115,887	600,703
PDL (not auto)	1,290,356	638,027
Burglary, theft	23,563	8,835
Total	37,906	14,064
Total	5,425,120	2,835,648
Motorists Mutual of Columbus, O.—Assets, \$17,563,280, incr., \$1,303,683; loss res., \$5,581,640; unearned prem., \$4,398,185; surplus, \$5,484,841, decr., \$253,815.		
Fire	69,341	25,381
Extended coverage	37,066	18,643
Earthquake	16	
Accident	18,109	6,882
Liability (not auto)	208,772	105,056
Auto liability (BI)	3,397,103	2,502,740
Auto PDL	2,500,821	1,396,916

	Premiums Earned	Losses Incurred
Auto phys. dam.	3,899,706	1,817,721
PDL (not auto)	72,394	23,317
Burglary, theft	1,776	227
Excess of loss—ceded	54,575	30,400
Total	10,259,882	5,927,267

	Premiums Earned	Losses Incurred
Nationwide Mutual Fire—Assets, \$20,727,903, incr., \$2,870,230; loss res., \$1,032,617; unearned prem., \$12,557,713; surplus, \$5,103,533, decr., \$80,611.		
Fire	5,390,356	1,967,978
Extended coverage	2,232,643	1,232,519
Other allied lines	17,935	6,499
Homeowners mult. peril	319,361	87,219
Earthquake	230	
Hail (growing crops)	440,770	235,125
Inland marine	79,429	57,909
Liability (not auto)	330	
Auto liability (BI)	109,481	61,912

	Premiums Earned	Losses Incurred
Auto PDL	64,162	36,953
Auto phys. dam.	6,713,195	4,087,216
Excess of loss—assumed	40,636	1,427
Excess of loss—ceded	340,703	325,783
Total	15,087,860	7,498,579

	Premiums Earned	Losses Incurred
Nationwide Mutual, Columbus, O.—Assets, \$158,874,756, incr., \$6,646,496; loss res., \$65,538,969; unearned prem., \$30,959,151; surplus, \$41,827,933, incr., \$6,241,771.		
Accident only (ind.)	197,425	55,470
A&S (ind.)	663,624	373,174
Hospital & med. (ind.)	1,892,520	614,084
Group A&S	3,889,405	2,997,248
Non-can A&S	10,910	6,541
Workmen's comp.	3,514,412	2,035,383
Liability (not auto)	2,573,365	945,782
Auto liability (BI)	49,998,683	30,675,446
Auto PDL	26,111,716	16,373,723

	Premiums Earned	Losses Incurred
Auto phys. dam.	29,463,843	14,211,589
PDL (not auto)	506,005	262,204
Fidelity	422	360
Burglary, theft	300,415	123,753
Excess of loss	133,356	108,884
Membership fees	2,571,175	
Total	119,264,999	61,782,921

	Premiums Earned	Losses Incurred
Ohio Farmers Indemnity—Assets, \$21,544,108, incr., \$759,390; loss res., \$7,158,312; unearned prem., \$6,667,607; capital, \$1,500,000; surplus, \$3,552,130, decr., \$283,874.		
Fire	3,895	44
Extended coverage	417	430
Other allied lines	3	
Homeowners mult. peril	57,444	16,335
Inland marine	501	85
Liability (not auto)	1,868,102	522,409
Auto liability (BI)	6,846,829	4,476,171

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Highlights

from our 55th Annual Report to Policyholders

● As of December 31, 1956, as reported to the Indiana Insurance Department, Assets totaled \$26,516,200; Liabilities, \$16,604,157; and Surplus to Policyholders, \$9,912,043.

ASSETS increased by \$1,158,245 or 4.6% over 1955.

SURPLUS TO POLICYHOLDERS increased by \$375,025 or 3.9% over 1955.

NET PREMIUMS WRITTEN were \$16,944,645 for the year, an increase of \$1,115,980 or 7% over 1955.

LOSSES INCURRED during 1956 were \$7,602,950. Ratio of incurred losses to earned premiums was 46.5%, as against 42.1% for 1955.

SAVINGS of \$2,885,000 were returned to our policyholders as dividends during 1956, which compared with dividend savings of \$2,800,000 returned during 1955.

Business since organization in 1902: Net premiums written, \$180,429,000; net losses paid, \$64,985,000; savings returned to policyholders as dividends, \$28,154,000.

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	Premiums Earned \$	Losses Incurred \$		Premiums Earned \$	Losses Incurred \$
Auto PDL	4,280,665	2,318,681	Inland marine	36,550	15,406
Auto phys. dam.	10,420	5,592	Accident	20,431	5,879
PDL (not auto)	417,270	116,646	Workmen's comp.	5,408,310	3,872,082
Fidelity	2,740	.....	Liability (not auto) ..	648,185	210,745
Surety	1,454	.....	Auto liability (BI)	5,981,417	3,108,555
Glass	179,496	97,804	Auto PDL	3,893,053	2,239,179
Burglary, theft	416,091	160,857	Auto phys. dam.	2,713,720	1,510,329
Total	14,085,333	7,715,244	PDL (not auto)	281,469	89,874
			Glass	16,301	7,022
Ohio Farmers—Assets, \$26,028,309, decr., \$877,430; loss res., \$864,263; unearned prem., \$13,015,396; surplus, \$11,156,480, decr., \$298,139.			Burglary, theft	26,580	15,257
Fire	5,357,316	2,288,990	Excess Loss	25,207	26,516
Extended coverage	2,524,915	1,731,297	Total	19,046,230	11,100,824
Other allied lines	44,582	31,550			
Homeowners mult. peril ..	238,352	181,463	Quincy Mutual Fire—Assets, \$18,961,985, inc., \$1,459,345; loss res., \$375,088; unearned prem., \$7,514,705; surplus, \$10,437,800, inc., \$722,798.		
Earthquake	9,854	.....	Fire	3,972,090	1,445,346
Inland marine	336,056	131,663	Extended coverage	1,347,330	319,218
Auto phys. dam.	5,461,400	2,803,706	Other allied lines	23,053	37,317
Total	13,972,475	7,168,870	Homeowners mult. peril ..	224,232	64,446
			Auto phys. dam.	1,532,296	777,026
Pacific Indemnity—Assets, \$54,068,441, inc., \$1,819,460; loss res., \$18,191,910; unearned prem., \$13,143,110; capital, \$2,400,000; surplus, \$18,233,501, decr., \$1,473,523.			Excess of loss	—52,794	.....
Fire	775,801	425,924	Catastrophe cover	—193,530	.....
Extended coverage	229,341	122,423	Loss ratio	6,820,383	2,643,354
Other allied lines	6,045	1,287			
Earthquake	17,025	.....	St. Paul F.&M.—Assets, \$339,019,891, decr., \$13,734,114; loss res., \$42,853,010; unearned prem., \$73,335,564; capital, \$20,000,000; surplus, \$105,795,309, inc., \$6,097,033.		
Inland marine	264,727	223,789	Fire	21,080,382	10,623,739
Accident only (ind.)	23,682	11,240	Extended coverage	7,534,506	3,862,386
Workmen's comp.	5,840,159	3,225,085	Other allied lines	342,548	162,633
Liability (not auto)	3,645,752	1,388,741	Homeowners mult. peril ..	1,365,936	960,576
Auto liability (BI)	6,695,818	4,700,662	Auto PDL	572,215	179,764
Auto PDL	3,633,012	2,113,066	Earthquake	69,462	—1,621
Auto phys. dam.	4,548,775	2,924,078	Hail (growing crops) ..	1,524,531	1,452,575
PDL (not auto)	845,167	439,431	Ocean marine	3,982,292	2,810,924
Fidelity	209,651	66,977	Inland marine	10,328,440	5,186,410
Surety	605,149	49,180	Accident	335,779	135,602
Glass	160,193	83,501	A&S	5,369	31
Burglary, theft	250,750	93,239	Hospital & medical	873,052	162,754
Boiler, machinery	528,634	150,297	Group A&S	1,169,008	883,492
Total	28,279,681	16,018,410	Workmen's comp.	6,592,544	3,978,512
			Liability (not auto)	8,788,229	2,869,365
Pacific National Fire—Assets, \$48,321,519, inc., \$3,507,286; loss res., \$3,237,383; unearned prem., \$17,430,205; capital, \$1,250,000; surplus, \$21,843,536, decr., \$3,201,151.			Auto liability (BI)	12,463,514	6,864,432
Fire	8,224,545	3,709,233	Auto PDL	6,764,392	3,586,048
Extended coverage	4,005,399	2,230,261	Auto phys. dam.	13,475,454	7,649,314
Other allied lines	82,926	12,947	Aircraft PHD	265,640	159,464
Homeowners mult. peril ..	630,098	407,091	PDL (not auto)	1,650,563	844,087
Commercial mult. peril ..	24,056	66,354	Fidelity	980,495	304,887
Earthquake	57,638	294	Surety	2,592,907	464,041
Hail (growing crops)	21,897	10,280	Glass	531,891	248,603
Ocean marine	594,238	575,820	Burglary, theft	1,348,429	531,349
Inland marine	997,845	504,990	Credit	8,259	.....
Liability (not auto)	13,574	4,747	Total	104,645,837	53,701,388
Auto liability (BI)	120,782	92,248			
Auto PDL	64,818	50,649	Scottish Union—Assets, \$11,927,489, decr., \$466,089; loss res., \$1,202,595; unearned prem., \$6,137,417; surplus, \$3,914,385, decr., \$334,714.		
Auto phys. dam.	2,020,989	1,205,871	Fire	3,362,066	1,933,487
PDL (not auto)	1,066	485	Extended coverage	1,119,045	470,301
Fidelity	19,385	4,287	Other allied lines	25,787	9,062
Surety	184,315	286,470	Homeowners mult. peril ..	180,181	95,073
Glass	10,384	5,440	Commercial mult. peril ..	72,824	54,058
Burglary, theft	33,242	16,613	Earthquake	31,131	97
Total	17,107,205	9,184,089	Hail (growing crops)	66,761	77,689
			Ocean marine	75,998	63,196
Pennsylvania Lumbermens Mutual—Assets, \$16,527,225, inc., \$287,153; loss res., \$1,234,843; unearned prem., \$6,973,665; capital, \$7,297,801; surplus, \$7,297,801, decr., \$542,026.			Liability (not auto)	76,512	56,105
Fire	5,499,821	2,521,306	Auto phys. dam.	778,720	369,897
Extended coverage	1,262,420	440,825	Glass	3,291	1,781
Other allied lines	77,014	35,565	Burglary, theft	2,950	1,911
Homeowners mult. peril ..	112,479	47,162	Total	5,797,066	3,132,994
Earthquake	24,486	19			
Inland marine	168,537	94,355	State Auto Mutual, Columbus—Assets, \$44,803,392, inc., \$2,117,489; loss res., \$6,877,229; unearned prem., \$13,315,259; surplus, \$20,443,657, inc., \$587,636.		
Liability (not auto)	308	1,096	Fire	66,329	57,817
Auto liability (BI)	2,217	1,632	Extended coverage	24,764	44,981
Auto PDL	1,004	1,175	Other allied lines	8	.....
Auto phys. dam.	289,078	168,733	Homeowners	13,198	5,742
Glass	43	.....	Inland marine	12,236	2,471
Burglary, theft	624	11	Accident	51,877	21,190
Excess ins.	—31,966	185,741	Workmen's comp.	21,137	6,696
Total	7,406,065	3,497,620	Liability (not auto)	559,828	191,750
			Auto liability (BI)	8,451,916	4,647,386
Pennsylvania Threshermen & Farmers' Mutual Casualty—Assets, \$32,210,428, inc., \$1,014,428; loss res., \$10,075,674; unearned prem., \$8,924,090; surplus, \$10,019,997, decr., \$818,231.			Auto PDL	6,190,018	3,451,871
			Auto phys. dam.	7,906,912	3,949,717

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	Premiums Earned	Losses Incurred
PDL (not auto)	145,121	46,806
Fidelity	6,246	7,816
Surety	4,177	205
Glass	59,817	26,793
Burglary, theft	142,836	49,089
Total	23,656,420	12,510,310

Universal Underwriters, Mo.—Assets, \$7,249,088, decr., \$81,921; loss res., \$1,319,760; unearned prem., \$3,566,594; capital, \$550,000; surplus, \$1,431,988, incr., \$107,411.	
Fire	564,827
Extended coverage	61,892
Workmen's comp.	685,278
Liability (not auto) ..	13,822
Auto liability (BI)	967,325
Auto PDL	487,110
Auto phys. dam.	3,056,873
PDL (not auto)	18,342
Total	5,855,469

Good Insurance Buyer Needs to Be a Salesman, Too

It was decided during the panel discussion at the February meeting of Chicago chapter of American Society of Insurance Managers that a good corporate insurance buyer, if he wants to get to first base in a job, has to be cooperative, have an established system of communication, and above all, be a good salesman.

The panelists—all members of the Chicago chapter and a representation of the group's talent—were Orville Tearney, Inland Steel; R. B. Wiltse, Automatic Electric Co., and Niles Nelson, United Air Lines.

The chapter also elected 1957 officers at the meeting, moving Casimir Z. Greenley, International Minerals & Chemical Corp., up from vice-president to president, succeeding C. Henry Austin, Standard Oil Co. Richard E. Blakley, Chicago Tribune, was elected vice-president. Continuing as treasurer and secretary, respectively, are Geoffrey J. Burns, Continental Illinois National Bank, and Ann Auerbach, Goldblatt Bros., secretary. New directors elected included E. E. Williams, Collins Radio Co.; L. R. Butzen, Montgomery Ward, and E. R. Zimmerman, American Bakeries. E. T. Berquint, Pure Oil Co., resigned as a director because of press of business and was replaced by William R. Tucker Jr., also of Pure Oil.

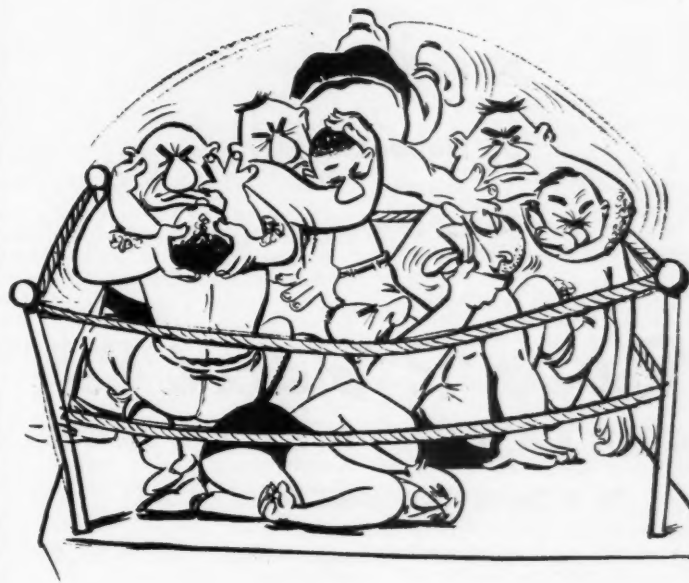
As insurance manager of the far flung operations of Inland Steel, Mr. Tearney pointed out that his job involves continuing communication and cooperation with the heads and the safety committees of the company's dozens of installations, also the continual selling of these people on the needs and wisdom of good insurance coverage. Mr. Tearney said it is understandable that the manager of a branch warehouse may be vitally interested in achieving big profits and low costs and, as a result, resent the assessment of insurance premium dollars to protect the assets. This is a case, he indicated, where salesmanship comes in. Mr. Tearney also stressed the importance of having a good committee with which to communicate at each installation. He said it is invaluable in gathering facts during or immediately after a loss. He said a cooperative committee can supply the insurance manager with information as to amount of loss, cost of the loss, personal injury, the names of witnesses, and many other pertinent things that have to be known before the insurance manager can know in what direction to go and what action to take.

Mr. Wiltse outlined the insurance managers job for an operation that is pretty well localized under one roof. He agreed with Mr. Tearney that the position of the insurance manager must be a well defined and clearly stated policy. However, in Mr. Wiltse's case, the method of communicating this policy need not necessarily be as procedural and formal as in a multi-installation company like Inland Steel. Mr. Wiltse emphasized how important it is for the insurance manager to keep in touch with top management. He said it is amazing how often people will do things that have bearing on insurance without realizing it. He said

the insurance department must keep both management and personnel informed of the department's functions.

United Air Lines has an insurance department of 27 people well stocked with information and they don't horde it. Mr. Nelson said United is constantly keeping its 20,000 employees informed of insurance matters, both as they effect the company corporately and the employees personally. He said of course the department didn't attempt to counsel the employees in their

personal insurance matters but it doesn't hesitate to let them know about the homeowner's comprehensive if they ask about it. United Air Lines, according to Mr. Nelson, self-administers its group and A&S claims, and it finds it well worth while from a public relations standpoint. Mr. Nelson said the insurance department of the air lines makes considerable use of photographs and statistics to make appealing presentations to management on coverage needs.



Competition Pretty Fierce? It needn't be!

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Convention Dates

Mar. 4-5, New Jersey Assn. of Insurance Agents, midyear, Berkeley-Carteret hotel, Asbury Park.

Mar. 6-7, Fire Underwriters Assn. of the Pacific, annual, Sheraton-Palace hotel, San Francisco.

Mar. 7-9, National Assn. of Surety Bond Producers, annual, Mayflower hotel, Washington, D. C.

Mar. 10-14, National Assn. of Mutual Insurance Agents, midyear, Jung hotel, New Orleans.

Mar. 13, Pittsburgh 1-Day, Penn-Sheraton hotel, Pittsburgh.

Mar. 17-19, Eastern Agents Conference of NAIA, Statler hotel, Washington, D. C.

Mar. 30, American Marine Hull Insurance Syndicate, annual, Board room, 99 John street, New York City.

March 24-26, Southern Agents Conference, Jung hotel, New Orleans.

March 24-26, Midwest Agents Conference of NAIA, French Lick-Sheraton hotel, French Lick Springs, Ind.

Mar. 25, Rhode Island Assn. of Insurance Agents, mid-year, Sheraton-Biltmore hotel, Providence.

Apr. 3-4, National Assn. of Independent Insurers, workshop, Mark Hopkins hotel, San Francisco.

April 4-5, National Assn. of Casualty & Surety Agents, directors semi-annual, Ambassador hotel, Chicago.

April 7-9, Mutual Agents Assn. of New York, annual, Syracuse hotel, Syracuse.

April 11-12, Ohio Assn. of Mutual Insurance Agents, annual, Neil House hotel, Columbus.

April 15-17, Iowa Assn. of Insurance Agents, annual, Savary hotel, Des Moines.

April 18-19, Zone 5 of NAIC, annual, Plains hotel, Cheyenne, Wyoming.

April 23-24, Zone II of National Assn. of Insurance Commissioners, annual, Sedgefield Inn, Greensboro, N. C.

April 25-26, Minnesota Assn. of Insurance Agents, midyear, Leamington hotel, Minneapolis.

April 28-May 1, Chamber of Commerce, insurance department, annual, Washington, D. C.

April 28-May 1, Colorado Insurers Assn., annual, Cosmopolitan hotel, Denver.

April 28-May 1, Rocky Mountain Territorial Conference of NAIA, annual, Cosmopolitan hotel, Denver.

April 28-May 1, National Board of State Directors of NAIA, midyear, Cosmopolitan hotel, Denver.

May 1-5, National Assn. of Public Insurance Adjusters, annual, Saxony hotel, Miami Beach.

May 2, Midwestern Independent Statistical Service, annual, La Salle hotel, Chicago.

May 2-4, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.

May 2-4, North Carolina Assn. of Insurance Agents, annual, Carolina hotel, Pinehurst.

May 5-7, Alabama Assn. of Insurance Agents, annual, Battlehouse, Mobile.

May 5-7, New York State Assn. of Insurance Agents, annual, Syracuse hotel, Syracuse.

May 6-8, National Assn. of Independent Insurance Adjusters, annual, El Mirador hotel, Palm Springs, Cal.

May 6-8, Health Insurance Assn. of America, annual, Sheraton-Park hotel, Washington, D. C.

May 7, Assn. of Casualty & Surety Companies, annual, Waldorf-Astoria Hotel, New York City.

May 9, Surety Assn. of America, annual, Sheraton-Astor hotel, New York City.

May 9-10, Missouri Assn. of Mutual Insurance Agents, annual, President hotel, Kansas City, Mo.

May 10-11, Oklahoma Assn. of Insurance Agents, annual, Biltmore hotel, Oklahoma City.

May 12-13, New Jersey Assn. of Mutual Insurance Agents, annual, Berkeley Carteret hotel, Asbury Park.

May 12-14, Florida Assn. of Mutual Insurance Agents, annual, Tides hotel, Redington Beach, St. Petersburg.

May 12-14, Virginia—D. C. Assn. of Mutual Insurance Agents, annual, Cavalier hotel, Virginia Beach.

May 13-15, National Assn. of Insurance Brokers, annual, St. Louis.

May 16-17, Arkansas Assn. of Insurance Agents, annual, Arlington hotel, Hot Springs.

May 17-18, Texas Assn. of Insurance Agents, annual, Statler-Hilton hotel, Dallas.

May 19-21, Tennessee Assn. of Mutual Insurance Agents, annual, Gatlinburg.

May 20, Vermont Assn. of Insurance Agents, midyear, Woodstock Inn, Woodstock.

May 20-22, Georgia Assn. of Insurance Agents, annual, Bon Air hotel, Augusta.

May 20-22, Insurance Accounting & Statistical Assn., annual, Palmer House, Chicago.

May 20-24, National Fire Protection Assn., annual, Statler hotel, Los Angeles.

May 21, Society of Fire Protection Engineers, annual, Statler hotel, Los Angeles.

May 21-22, Illinois Bureau of Casualty Insurers, annual, St. Nicholas hotel, Springfield, Ill.

May 25-26, Insurance Division of Special Libraries Assn., Statler hotel, Boston.

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National Board's
"Ad" Program Ready

"Remember, if you're not fully insured—it's not enough."

That's what the public will be told repeatedly in the coming months, beginning March 4, by National Board. One objective of its advertising campaign is to acquaint the public with the existence of serious underinsurance on buildings and contents. Information now available indicates as much as 30 to 40% underinsurance. The other objective is to tell the public about the need for more adequate insurance generally, both in amount and kind.

The result should be substantially increased premium volume for agents, brokers and the companies. Radio, TV, and magazine advertising is expected to help open the door for agents and brokers to sell much needed additional insurance, in fire and other lines. The campaign will perform a service for the public and should create good will among millions of home owners by alerting them to the need for adequate insurance.

The full effectiveness of the program, National Board points out, can be realized only with the cooperation of producers. Advertising alone cannot be expected to do the entire job.

The board points out several ways producers can help make property owners aware of this need for full insurance. They include:

- Review all clients' existing policies. Help individual insured to reestimate property to meet current values. Recommend necessary insurance-to-value and complete coverages in amount and kind.

- Make as many phone calls each day as possible to clients and to prospects. Write personal letters to those who cannot be reached by phone. Ask for an appointment to discuss today's property values.

- Check expiration dates of policies well in advance, and communicate with owners who may have inadequate protection before new policy is written. Recommend additional coverages as needed.

- Determine by talks with builders and merchants the increases in the community in costs of construction and household furnishings. Make use of these facts in selling adequate insurance.

- Use promotional material supplied by stock companies in all regular mailing. Make special mailings where warranted.

- Buy a rubber stamp with the slogan, and stamp letters, statements, and other correspondence.

- Explain package-type policies and how they might result in savings.

The radio-TV portion of the campaign will continue for 13 weeks. The principal emphasis and main selling points here will be need for adequate insurance-to-value on buildings and contents; complete coverage, in both amount and kind, the importance of

(CONTINUED ON PAGE 20)



Ground-breaking ceremonies for Kemper group's new Los Angeles office building were held last week. To be completed in early 1958, the three-story reinforced concrete building will be earthquake-proof, sound-proof and completely airconditioned, and will feature a complete medical clinic, a cafeteria seating 200 people, and a 93 car parking lot.

Continental Paintings at Fort Monroe

At a ceremony attended by military leaders and prominent citizens of the area, General W. G. Wyman, commanding general of the Continental army command at Fort Monroe, Va., dedicated the Continental room, formerly the Monroe room, of the Hotel Chamberlin and unveiled a collection of 20 color reproductions of paintings depicting dramatic scenes in American history.

The original paintings are owned by Continental, member of America Fore group, and were done by five American artists, commissioned by America Fore—F. C. Yohn, Clyde Osmer DeLand, Howard E. Smith, Anton Fischer and Gordon Grant. A reproduction of the original drawing of "the Continental soldier," used as a trademark by Continental, also hangs in this room.

J. Victor Herd, president of America Fore, who had planned to be present at the dedication ceremonies, was unable to attend. Buford Scott, senior director of Continental, represented the insurance organization at the dedication.

The idea for using these pictures in

Last Texas City Claim
Award Okayed by Army

WASHINGTON—The last of 1,700 claims for \$16,500,000 against the federal government as a result of the disaster at Texas City has been approved for payment by the army. A settlement of \$25,000 was awarded Mme. Ann M. Thirion and son Paul, of Finistere, France, on account of the death of Jean Thirion, in the disaster.

The Supreme Court absolved the federal government of legal liability for the disaster, but Congress assumed responsibility and enacted the Texas City claims act, which fixed limits upon claims. Insurers were denied subrogation rights on the millions they paid out as a result of the disaster.

Occidental Life Sales Aid Hits
'Best Seller' List Among Agents

Casualty Insurance Assn. of Southern California has elected Jack R. West, U. S. Aircraft group, president; John S. Mee, Maryland Casualty, vice-president; Frank W. Hofstatter Hoffstatter, Fidelity & Casualty, secretary-treasurer, and Jerome Wade, Royal-Globe group, assistant secretary-treasurer.

the Continental room originated in San Francisco when General Wyman saw a collection of reproductions of the paintings used on Continental calendars of past years in the window of America Fore's Pacific department building. Mr. Herd offered full cooperation in arranging for the reproduction and display of the pictures. Experts from the Army photographed the paintings and made the colorful reproductions now on public display in the Chamberlin hotel.

Missouri Insured Must Read his Policy

When a Missouri insured signed an application for hail insurance which could not be varied by parol, he obligated himself for a term of five crop seasons to pay all just assessments and attorney's fees in case it became necessary to collect an assessment by recourse to the courts. The case was that of Farmers Mutual Hail vs Kier, 9 CCH (fire and casualty) 11.

Kier, a farmer, signed an application for hail cover in Farmers Mutual Hail which stated the cover would be for a term of five crop seasons. A policy was issued and sent to him. It bound the policyholder to pay assessments up to 2% of the policy face in any one crop season, and to pay a reasonable attorney's fee if it became necessary to collect an assessment by law.

Kier paid the assessment for the first year but refused to pay for the second year, ignoring three notices of assessment which he acknowledged had been received. Farmers Mutual Hail sued Kier in DeKalb county circuit court for an alleged assessment of \$42, \$4.48 in penalties and \$35 attorney's fees. The circuit court judged for Kier. Farmers Mutual Hail appealed. Kansas City court of appeals heard the case. Kier testified that at the time he signed the application he told the agent he wanted only one year's cover. He admitted he did not read the application, nor read the policy he was issued. In fact, he did not even open the envelope containing the policy.

The court of appeals, citing a previous case, held that Kier had no defense. It quoted the Missouri supreme court in *American vs Neiberger*, "it will be the duty of the insured when

Eyes Problems of
Agency Mechanizing

Rieves S. Hodnett, president of the Burch, Hodges, Stone agency of Martinsville, Va., writes:

In your current editorial entitled "How to Cope With Rising Agency Costs" you sound a little bit like an office equipment salesman.

We are referring to the sentence which we quote as follows: "In fact, it is seen now that all modern office equipment is no more than a onetime expense and once it is installed and operating smoothly it has the effect of reducing expenses permanently."

It is incorrect to say that a piece of office equipment or any office equipment for that matter is a onetime expense. For instance, when you depreciate a \$3500 machine over a period of five years that machine is costing the agency about \$60 per month.

We consider that we have a highly mechanized office and while we certainly could not go back to the old methods and procedures, the conventional type of new machines are only a partial answer.

We believe we must find a system where bookkeeping occurs as a by-product of either the policy writing operation or the invoice.

he receives the policy promptly to examine the same, and if it does not contain the stipulations agreed upon, to at once notify the company of such fact, and of his refusal to accept such policy." Kier did not read the application or the policy. He raised no objections. The court held that it was his duty to read the policy and object if it did not meet his stipulations. It was too late after the risk had been carried for five or six months and the premium for that period had been earned, for him to make an objection.

Kier was held to have accepted the policy as written though he had not read it. He received protection for the entire crop season the second year and was obligated to pay the assessment. The circuit court was reversed and the case remanded with directions to determine a reasonable attorney's fee for Farmers Mutual Hail, and to enter judgment for the insurer of the attorney's fee, the \$42 assessment with interest thereon from date of demand, and penalties of \$4.48.

Carroll N. Bryson of Centralia, Mo., appeared for Farmers Mutual Hail. Robison & Miller of Maysville, Mo., represented Kier.

Silver Tells Agents of
Special Purpose Covers

Leonard J. Silver, president of American Excess of Philadelphia, discussed "Excess, Surplus and Special Purpose Insurance—How You Can Profit by the Proper Use of Foreign Markets" at a meeting of Lehigh Valley Assn. of Insurance Agents. William Meyers, president of the group, moderated a discussion of the new family protection endorsement.

WHITTAKER TELLS SAVINGS BANKERS:

Special Nursing Far Outweighs Surgical Costs in Larger Major Medical Claims

Analyses of big claims under major medical disclose that surgery is generally not a large part of the total bill but that often the charges for special nurses, which are not covered in any basic hospitalization insurance, are a very large part of the bill, Vice-president Edmund B. Whittaker of Prudential told the insurance conference

of National Assn. of Mutual Savings Banks, held in Boston.

Mr. Whittaker said also that there are many expensive illnesses, such as heart conditions, rheumatic fever, and the like, which do not require hospitalization but which can be the cause of very substantial medical bills.

"Major medical has progressed to

the point where two-thirds of the cases we sell are basic major medical, as opposed to major medical superimposed on another plan," said Mr. Whittaker. "However, while we feel that basic major medical is the best solution, we can and do write major medical on top of almost anything. We have written it on top of existing basic coverage supplied by employee benefit associations, on top of Blue Cross-Blue Shield, on top of our own basic coverage. Occasionally, though not often, we write on top of some other company's basic coverage, although we are somewhat reluctant to do so."

Mr. Whittaker said that at present Prudential's most popular major medical policy is one that provides a full area of hospitalization, with coinsurance above that amount and a deductible with coinsurance for all expenses other than hospitalization.

"We hope that we will eventually get rid of first-dollar coverage, as the public becomes educated to the idea of budgeting for the minor medical bills while depending on major medical to cover the larger losses that the individual cannot meet alone," he said. "In my opinion, major medical is the coverage of the future."

It was Prudential's original assumption that major medical would appeal only to those earning about \$5,000 a year or more. But catastrophic illnesses can strike at all income levels, so the market is no smaller or more restricted than the general insurance market.

Citing some crushing illness expenses among those earning modest salaries, Mr. Whittaker said: "It does seem to me that private industry should have the first chance to do a decent job but if they can't do it or won't do it we have a very feeble defense against the government doing it for us, in spite of all the disadvantages of national health insurance."

One case that Mr. Whittaker described involved total charges of \$13,853 for a woman employee earning \$3,240 a year. Of this amount the basic coverage took care of \$1,545 and major medical \$9,418, over a 2-year period. He cited this as an example of the "utter futility" of basic coverage in cases like this. Nurses alone cost \$7,222. Surgery was \$500.

In another case, an employee earning

\$4,943 a year and having a total expense of \$2,390 due to allergy and pulmonary congestion, the basic coverage paid \$18 and major medical paid \$1,591. Since a 2-year period was involved, the insured had to pay the deductible each year before major medical took effect.

The third case was the first under which Prudential paid the maximum amount of \$10,000 and the company had not even received any medical bills. The insured was an amateur chemist who blew himself up in his own cellar "and how he lived will always be a mystery to me," said Mr. Whittaker. The charges were for a lengthy period of hospitalization (168 days) and special charges consisting mainly of skin-grafting and special nurses. Of total charges of \$14,110, the basic coverage took care of \$1,040 and major medical paid \$10,000, or about 70% of the total.

The final example was a cancer patient earning a \$14,000 salary. Total expenses were \$12,575, of which the basic plan paid \$1,863 and the major medical \$8,401, or about 66%.

Prudential's original research on major medical, based on its own employees and their medical expenses, indicated:

- That the rate of hospitalization increases with age in much the same manner as mortality.
- The amount charged by physicians and surgeons varies almost directly with income—the man earning \$10,000 a year is likely to be charged twice as much as the man earning \$5,000 a year.
- In spite of publicity given to such childhood diseases as polio, spinal meningitis, etc., the morbidity rate on wives was higher than that of either the husband or the children taken as a group. There is roughly a 1-2-3 ratio: if the cost of major medical on an employee is 2 then for his children as a group it is only 1, but for his wife it is 3. The real cost of major medical is on the older women.
- The cost of hospitalization varies throughout the country, being highest in the west and lowest throughout the south.

Pa. WC Fund Is Probed

Alleged underpayments by employers to the Pennsylvania workmen's insurance fund are being investigated by the state police at the request of Samuel G. Neff, fund manager.

The fund covers the liability of employers who choose to enter the state system rather than carry workmen's compensation with private companies. In Pennsylvania this selection is optional.

Thomas D. McBride, attorney general, has reported the probe so far has uncovered eight cases involving \$200,000. He explained the frauds lie in the reporting of payrolls at less than actual strength in order to obtain a lower premium rate. The underpayments were discovered through comparison of payroll reports with reports made for unemployment compensation purposes.

Superior Reports on 1956

E. T. Earnest, president of Superior of Dallas, reporting to stockholders on 1956 operations, said the company had an underwriting loss which was offset by satisfactory investment earnings. At the end of the year assets were \$8,164,265, and surplus to policyholders \$2,809,757.

Sentinel Indemnity, the wholly owned subsidiary, made satisfactory progress, Mr. Earnest said. Assets Dec. 31 were \$509,978 and surplus to policyholders \$503,924.



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Insurance Teachers Ask Merger of Two Groups

Merger of the American Society for Insurance Research into the American Assn. of University Teachers of Insurance has been recommended by the officers of the former organization.

In a bulletin to all members, R. I. Mehr, University of Illinois, ASIR president, has reported that the consensus of fellows of the organization at the Cleveland meeting of the AAUT was that "continued independent operation of the society and its publication, *Review of Insurance Studies*, would serve to create serious difficulties for both ASIR and AAUTI because, in the final analysis, both groups would have to tap the same resources in order to ensure an adequate supply of publishable articles and financial support."

Among merger conditions unanimously agreed upon between the two organizations are absorption of all the assets and liabilities of ASIR by AAUTI; an editorial in the *Journal of Insurance* of AAUTI indicating it is a continuation of the *Review*; a campaign by AAUTI to increase associate memberships to bring in all interested in insurance research; more emphasis on research by AAUTI; and improvement of AAUTI election procedure to "choose candidates for office rather than merely ratify choices of the nominations committee."

Wash. Department Suggests Insurance Code Changes

New insurance code sections and amendments guaranteeing debtors and borrowers the right to choose their agent, brokers and insurers; tightening the prohibition of fictitious grouping of insured; and prohibiting issuing certificates of authority to government owned and controlled insurers are among provisions incorporated in the Washington insurance department bill in the state legislature.

The recommended tightening of the section prohibiting fictitious grouping of insured does not affect life contracts. The section would be reworded as follows: "No insurer shall make or permit any unfair discrimination between insured or subject of insurance having substantially like insuring risk and exposure factors, and expense elements, in the terms or conditions of any insurance contract, or in the rate or amount of premium charged therefor, or in the benefits payable or in any other rights or privileges accruing thereunder." The major change in this section was the substitution of the word "and" for the word "or."

Markel Service Promotes Holt to Chief Examiner

R. L. Holt has been promoted to chief examiner of Markel Service in New York. He joined the company in 1939 and has been a claims examiner since 1950. Prior to then he was an adjuster in Philadelphia, Baltimore and Boston, manager in Nashville, Charlotte and Atlanta, and an examiner in Chicago. Before going to Markel Service, he was with Interstate Adjustment. He entered insurance with Liberty Mutual in 1937.

Travelers Names Four, Transfers One in F&S

Travelers has appointed Gordon C. Sleeper Jr. assistant manager of fidelity and surety in Brooklyn, and named three field supervisors—Harold E. Ball Jr. in Oakland, Cal., Donald B. Peat in St. Louis and James M. Dahlhard in New Haven. Richard E. Smith, fidelity and surety field supervisor in Boston, has transferred to New York.

Meistrell Testifies on Flood Program

WASHINGTON—Testifying before the Senate securities subcommittee of the banking committee, Fred J. Meistrell, federal flood indemnity administrator, said that suggestions from the insurance business on rates have ranged from \$2.50 to \$20 per \$100, but the administration is thinking of the possibility of rates ranging from \$1 to \$12.50 per \$100 for insured's contribution.

He said his agency will not get into reinsurance at this time because he wants the capacity of \$5 billion available principally to home owners and small business men. The agency does not favor reinsurance of large risks because it does not believe that Standard Oil, New York Central and other large concerns need the coverage and such risks could gobble up all of the capacity. The reinsurance program will be deferred until the agency obtains experience under the indemnity program.

The agency expects to have policies for sale by late spring or early summer, he said.

Client Sues Baltimore Agency for Non-action

The J. L. Campbell & Co. agency of Baltimore is being sued in federal court by Rocky Point Park Co., which charges the agency cost the company \$25,701 because it failed to follow directions for placing coverage.

Rocky Point Park Co. operates Seaside Amusement Park at Warwick, N. Y., which was damaged in a 1954 hurricane. The suit says the Campbell agency was instructed to place \$82,000 worth of coverage with Guaranty F.&M. of Charleston, and to supplement it by reinsurance with other companies. Vincent Fera, who runs the amusement firm, alleges Campbell did not place the insurance as directed and as a result of the insolvency of Guaranty F.&M., his company's holding at Warwick was not protected.

Resolve That Congress Official Be Bonded

WASHINGTON—A resolution authorizing and directing that the funds of his office by protected by bonding the sergeant at arms has been submitted in the House. It provides that premiums be paid out of the contingent fund of the House on vouchers signed by the sergeant at arms and approved by the committee on administration.

Mutual Agent Secretaries Discuss Activities

WASHINGTON—A series of conferences were held here by National Assn. of Mutual Insurance Agents with state association executive secretaries from Iowa, Minnesota, Missouri, Virginia, New York, North Carolina, Ohio and Texas.

Philip L. Baldwin, general manager of NAMIA directed the meeting. Robert Wendelken of Columbus, O. discussed convention program planning, Don Bruzek of Owatonna, Minn., education clinics for mutual agents, Richard J. Schultz of Des Moines, membership campaigns, Roderick L. Geer of Syracuse, N. Y., trade association publications, and Gus Brown of Austin, legislative activity. William A. Stringfellow, assistant general manager of NAMIA and conference planning and program director, discussed group insurance.

Lucien T. Roy Named V-P of Utilities of St. Louis

Utilities of St. Louis has named Lucien T. Roy vice-president and agency director. He has been with American Automobile.

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Travelers Has New Office in Canada

Travelers group has opened a new agency and service office at 200 Queens avenue in London, Ont. Managed by H. F. Abernethy, the office is under the general supervision of the Toronto branch.

The staff includes Ormand S. Johnson, manager of casualty, fidelity and surety; Kermit G. Davis, manager of fire and marine; Murray H. Weiland, field supervisor in casualty, fidelity and surety, fire and marine; Guy A. Buchanan, claims manager, and A. T. H. Bevan, supervisor of engineering and loss control.

Parents Liability Bill Introduced in Pa.

A bill which would authorize recovery of damages up to a maximum of \$150 from parents whose children under 18 willfully or maliciously destroy property while they are living at home has been introduced in the Pennsylvania legislature.

Hartford Steam Boiler Names Hadlow to Board

David M. Hadlow, vice-president in charge of the agency department, has been elected a director of Hartford Steam Boiler. He joined the company in 1942, following several years' activity in sales and sales administration. Prior to his election to vice-president in 1953, he was manager of the Hartford branch.

Springfield F. & M. Names Landis, Sprang on Coast

William L. Landis has been appointed fire supervisor in the Los Angeles office of Springfield F. & M. group. He has been on the staff there since 1951 and before that was with Pacific Fire Rating Bureau as an engineer for three years. He will be succeeded as special agent by Ralph H. Sprang who has had considerable experience as a former Pacific coast fire company manager and has been active in multiple line special agency and engineering in southern California.

NAMIA Gets Ready for 5-Week School

National Assn. of Mutual Insurance Agents has announced its school at University of North Carolina in Chapel Hill, five weeks beginning June 17. It is aimed at the new agent, and enrollment is restricted to members of the association with six months' experience.

The course covers all phases of fire and casualty as well as agency management, accounting, advertising, and public relations. Enrollment is limited to 60.

Laurence J. Ackerman, dean of the business school at University of Connecticut, is dean of the mutual school. The staff will include David A. Ivray, associate professor of insurance at University of Connecticut; Grant M. Osborn, associate professor of insurance, University of Omaha, and Victor V. Sweeney, professor of insurance at University of Florida.

School trustees have called on company and agency experts to teach practical aspects of the course. These include John Adam Jr. of Central Mutual, Boston; Dale K. Auck, Federation of Mutual Fire Insurance Companies; John M. Breen, Lumbermens Mutual Casualty; Paul H. Dubuc, Shelby Mutual; Frederick J. Dugle, Mu-

tual Insurance Institute, and H. C. Foster, Utica Mutual.

Also, Richard K. Fowler, Indiana Lumbermens Mutual; Commissioner Gold of North Carolina; Gordon G. Gronert, Mutual Insurance Institute; C. Robert Gruver of the Gray & Rogers public relations firm, Philadelphia; George D. Haskell, American Mutual Alliance; Harry E. Hudelson, Mill Owners Mutual, and C. Goodman Jones, Mutual agency, Bluefield, W. Va.

Also, John Keyser, Kalamazoo agent; Robert H. King, Associated Insurers, Raleigh, N. C.; Robert L. Lusk, Mutual Loss Research Bureau; Clement R. Marshall, agent of Charlotte, N. C.; Lewis O. Patterson, Shelby Mutual; Robert W. Putnam, Insurance Associates, Roanoke, Va.; William H. Rodda, Transportation Insurance Rating Bureau; Benjamin G. Sager, Central Mutual agency, Cleveland.

Also, Edward D. Siros, Mutual Fire Insurance Assn. of New England; Howard Swink, advertising agent, Marion, O.; C. Leonard Williams, Employers Mutual Casualty; Herbert G. Wiberg, New York Mutual Casualty, and Paul S. Wise, American Mutual Alliance.

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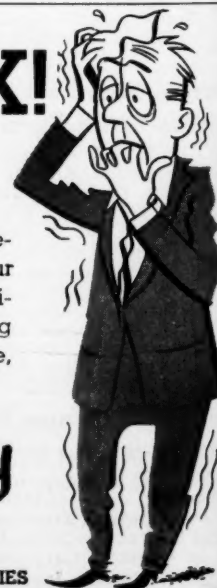
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Texas Adjusters Elect Wolf President, Discuss CDP, Family Auto Policy

At its annual meeting in San Antonio last week, Texas Assn. of Independent Insurance Adjusters elected J. Henry Wolf, San Antonio, president; Floyd DeWitt, Dallas, 1st vice-president; Steve Cowan, Amarillo, 2nd vice-president, and Howard Fitch, Dallas, secretary-treasurer.

Gordon W. Friedrich, local agent of San Antonio and a director of Texas Assn. of Insurance Agents presented an analysis of the comprehensive dwelling policy at the meeting and stated that it will take time to determine its value in Texas, since people resist change.

J. B. Alderdice of Texas Department of Public Safety discussed benefits of the Texas safety responsibility law. The purpose of the law, he said, was to remove irresponsible drivers from the highway. The penal provision of the law applies to both driver and owner of the vehicle. Tracing the history of safety responsibility laws throughout the U. S., he stressed the importance of accurate accident reporting information, and illustrated the effectiveness of the law by showing that in 1950, only 14% of cars in the state were insured, while in 1956, more than 60% were insured.

H. C. Pittman, chairman of Texas Industrial Accident Board, discussed the problems of that office resulting from overcrowded files, loss of time, low salaries paid to clerks. He asked that adjusters present the problem of proper handling of claims to legislators and urged that when payment of a claim is to begin and is to end, the board be notified.

Max H. Wier Jr., United Services Auto, outlined the development of the family auto policy, and said that it is an attempt to meet voluntarily the demand for compulsory auto insurance, while avoiding the ills of compulsory. While he indicated that the problems of coverage raised by the family auto policy can only be determined by experience, he stated that the automobile home, the driver of the non-owner driven car, and possible pyramiding of coverages when several policies are involved create special problems.

Sacramento, Cal. CPCUs Elect Larson President

Sacramento Valley (Cal.) chapter of CPCU has elected Russell W. Larson, local agent of Sacramento, president; Jerome Stubb, New Hampshire group, vice-president, and John J. Haller, Industrial Indemnity, secretary-treasurer. Directors are James M. McDowell, William Rudd, and Edward W. Hagen, all of United Pacific, and Melvin J. Willback, America Fore group.

Hear Torrey on Buying an Agency

Snohomish County (Wash.) Assn. of Insurance Agents heard Joseph Torrey discuss "Buying an Agency" at its February meeting in Everett.

Mr. Torrey spoke on agency sales agreements, covenant not to compete, and percentages currently in use in purchasing renewals.

A. J. Rae, secretary-treasurer, distributed decals of the new independent insurance agent insignia.

Files Mortgage Policy in Wash.

Southwest General has filed a chattel mortgage nonfiling policy and rates in Washington, effective Feb. 1. The rates are \$1 per instrument for \$2,000 coverage and \$1.25 per instrument for \$3,500 coverage for banks and finance companies.

Mutual Cas. Insurers to Hold Underwriting Conference Mar. 14, 15

Conference of Mutual Casualty Companies will hold its automobile and general liability underwriting conference in Chicago March 14-15.

After a joint session the first morning, the conference will be organized into separate automobile and general liability underwriting workshops. Speaking to the joint session will be: Henry Reidelbach, Equity Mutual, family auto policy; Charles R. Varker, Meridian Mutual of Indianapolis, uninsured motorist coverage and family protection endorsement; and William T. Fee, Employers Re, excess limits general casualty and automobile.

Speakers and subjects to be presented to the automobile workshop sessions

are: James M. Tulloch, Integrity Mutual of Appleton, Wis., assigned risk plans and pools; J. C. Rice, Iowa National Mutual, garage liability, incidental operations problems; John H. Shiffler, Employers Mutual Casualty of Des Moines, and Charles W. Margraff, Donegal Mutual of Marietta, Pa., coordination between underwriting and claims; Tom G. Smith, Auto-Owners of Lansing, fleet retrospective rating; Frank A. Knowlan, Harleysville Mutual Casualty, the underwriter, and Russell H. Matthias of the Chicago insurance law firm of Meyers & Matthias, problems facing the automobile insurance industry.

Speaking to the general liability workshop sessions will be: M. M. Smith, Union of Lincoln, Neb., increased sales and improved underwriting

through the use of non-technical applications; Bruce L. Miller, Allied Mutual Casualty of Des Moines, broad form storekeepers policy; Spence Broughton, Minnesota Mutual F. & C., farm liability; Donald Krueger, Mutual Service Casualty, engineering and underwriting; James S. Patterson, Town & Country Mutual of Indianapolis, and C. L. Nunneker, Shelby Mutual, simplifying the agent's rate manuals; and William J. Zeiter, Security Mutual Casualty, reinsurance.

O. C. Griffith, Shelby Mutual, is president of the conference. Jack D. Trombla, Standard Reliance of Lincoln, is chairman of the automobile underwriting committee and John Dinsmore, Federated Mutual Implement & Hardware, is chairman of the general liability underwriting committee.

Revise M&C, OL&T Rates in N. Y. and Pa.

National Bureau of Casualty Underwriters has revised rates for manual rated classifications of M&C BI and PDL and OL&T PDL in New York, effective Feb. 20. Similar revision recently became effective in 49 other states and territories.

M&C rates for BI are increased 11.7% for Greater New York and 6.9% for the remainder of the state. M&C PDL rates are reduced 7.4%. OL&T PDL is increased 1.9% except for New York City apartments and tenements, on which the reduction is 7 to 11 cents.

The countrywide average 33.3% reduction OL&T rates for PDL on miscellaneous classifications also applies in New York state.

In Pennsylvania OL&T BI for area and frontage classifications are increased and OL&T PDL for all manual rated classifications and M&C BI and PDL are revised.

The OL&T rating procedure for area and frontage classifications has been simplified by eliminating frontage as a basis of rating.

OL&T PDL gets the countrywide reduction for miscellaneous classifications of 33.3%.

M&C BI rates reduce 5.4% and PDL 3.3%.

Atomic energy commission has issued permits for access to restricted data to American and to Factory Mutual Rating Bureau.

HERE IS THE MARKET FOR EXCESS LIMITS OL&T AND MANUFACTURERS AND CONTRACTORS LIABILITY



usual and unusual coverages
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LLOYD'S LONDON

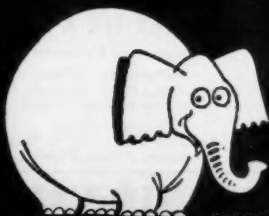
The need for high limits poses a problem for many producers—a problem that A. F. Shaw can help you solve. Our access to ready markets and our long experience in underwriting Excess cases makes A. F. Shaw the first choice for the producer who wants the best in facilities, the best in service.

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IN ALASKA, Defense Bases Workmen's Compensation insurance is a vital need—and a good premium builder. For outstanding markets and specialized assistance from compensation experts, think first of Universal. That goes for Employer's Liability and Workmen's Compensation under the Alaska Territorial Act and the Federal Longshoremen's and Harbor Worker's Act, too. Our nationwide service is at your disposal!

A Multiple Line Market for both Standard and Surplus Lines

UNIVERSAL COVERAGE
Universal Underwriters Agency, Inc.

AMERICAN BUILDING • SEATTLE 4

National Board's "Ad Program" Ready

(CONTINUED FROM PAGE 15)

the independent local agent or broker, and the quality of stock company insurance.

Radio spots will be broadcast over 125 radio stations throughout the country, with coverage of more than 85% of the nation's 47 million radio homes and 35 million automobile radios. There will be three messages a day, morning, noon and evening, five days a week, 13 weeks. The commercials will be given morning, noon, and evening. Each commercial is introduced by special sound effects of fire bell and siren. Scripts and suggestions for local level tie-in are available from National Board.

TV commercials will appear on sta-

tions in the top markets—New York, Los Angeles, Chicago, Philadelphia, Detroit, San Francisco, Boston, Pittsburgh, St. Louis, and Washington, D.C.—more than 43% of the 39 million TV set owners. These will be telecast three times each week during choice viewing times, 7 to 11 p.m. The commercials are on film, in the popular animated cartoon style. Each of three TV commercials is of 20 seconds duration. TV commercials and suggestions for tie-in are available from National Board.

During the 13 weeks national magazine advertisements will include and emphasize the campaign theme. Ads

will appear in *Saturday Evening Post*, *Time*, *Farm Journal*, and *This Week* magazine. The combined reader audience of these publications totals nearly 50 million.

Suggested radio scripts, enabling agents and brokers to tie-in with National Board commercials or to adapt them for their own use, are available, and producers may use any station they wish. A set of three special TV films, 20 seconds each, is being offered by National Board for showing on local TV stations, at \$15 for the entire set of three. Six different advertisements for insertion in local newspapers are available. Free mats are offered in two sizes, two columns by seven inches, or one column by eight inches.

Fireman's Fund has elected Edwin E. Adams to the board of directors.

Agent Must Know Product, Glasser Tells Chicago Claim Assn.

An agent must know what he is selling in order to produce business, Joshua B. Glasser, leading group producer for Continental Assurance, told members of the Chicago Claim Assn. at its February meeting in the Midland hotel.

Plenty of A&S business has been lost to Blue Cross because an agent didn't know what he had to offer, Mr. Glasser said. Citing examples from his own 23 years of group A&S experience, he stated that the only way for an agent to beat the popular appeal of Blue Cross is to educate himself and his customers on just what benefits a policy provides. He remarked that his office has sold millions in group A&S and never lost out to Blue Cross because he has followed this principle.

Mr. Glasser told of one bright spot in the picture, showing how combined sales of group and individual A&S contracts by life companies have begun to outstrip Blue Cross sales in the past few years, mainly because agents are becoming more aware of what they have to offer.

Stating that the battle is still far from over, Mr. Glasser pointed to the fact that the Blue Cross associations have appropriated a \$4½ million advertising fund to promote Blue Cross on a national basis in various media. He said that companies could help their agents by doing more advertising of A&S benefits.

Harold Smithson Joins Standard of Tulsa

C. Harold Smithson has joined Standard of Tulsa as assistant secretary and head of the fire and allied lines department. He has been with the general agency of Trezevant & Cochran at Dallas.

Mr. Smithson started his insurance career by working after school and on Saturdays for a Dallas agency while he was a freshman in high school. Later he helped begin operations of Texas Insurance Checking Office. He later went with the Texas department in the fire rating division, becoming assistant actuary. In 1937 he joined Loyalty group, advancing to superintendent of the underwriting department for fire and allied lines. In 1946 he went with Trezevant & Cochran as field supervisor for the metropolitan Dallas-Fort Worth area.

Name F&S Superintendent of Fire Association

Richard Marlink has been appointed superintendent of fidelity and surety claims of Fire Association group. A practicing lawyer during 1939-41, he entered insurance in 1942. He will make his headquarters in the legal department in Philadelphia.

T. J. Hession Retires

Thomas J. Hession has retired as Iowa regional supervisor of Western Adjustment. He had been with the company for 35 years, including 29 years in Iowa. He was honored at a dinner attended by Iowa office managers and employees and was presented with several gifts.

Elect in Sheboygan County, Wis.

Sheboygan County (Wis.) Insurance Agents Assn. have elected Carl Behnke, president to succeed William Zeimemann. Also elected were Theodore Hinz, vice-president, and Frank Bersch, secretary-treasurer. Mr. Zeimemann and Adolph Imig were named directors.

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24 Hour Service

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Phone HARRISON 7-0153 Night: TERRACE 4-7840

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Auto Rates Revised in Ga., Neb., and Pa.

National Bureau of Casualty Underwriters and National Automobile Underwriters Assn. have revised private passenger automobile rates in Georgia and Nebraska, and the bureau has revised commercial car and garage liability rates in Pennsylvania.

In territory 1 in Georgia, which includes Atlanta, bureau rates are reduced for all classes except 2C, for which rates are increased \$13. There are also some reductions in the 10-county territory 2. Class 1A and 1B rates are reduced or remain unchanged. Class 1C gets a rate increase of \$2, 2A an increase of \$3, and 2C \$19.

Where rates are reduced in territories 1 and 2, the reductions range from \$1 to \$9.

In territories 3 and 4, the rest of the state, the 1A, 1B and 1C increases range \$5 to \$15, 2A increases range \$11 to \$20, and 2C increases from \$36 to \$48.

NAUA has increased \$50 deductible collision 8% in Albany, Augusta, Columbus, Macon, Rome and Savannah, and 15% in Atlanta and balance of state. The \$100 deductible goes down 5% in the first group of cities; is unchanged in Atlanta and is increased 5% in the balance of the state.

The \$50 deductible comprehensive is introduced.

Class 2C collision rates go up 30%.

In Nebraska bureau rates are increased for all classifications. For 1A, 1B and 1C the increases range \$3 to \$10, for 2A, \$5 to \$16, and for 2C \$24 to \$37. NAUA has increased comprehensive \$5 to \$6, and has introduced the \$50 deductible program. The \$50 deductible collision is decreased 10% in Lincoln and 5% in the balance of the state, with similar revisions for the \$100 deductible. 2C collision goes up 30%.

In Pennsylvania commercial car rate changes result in an average statewide reduction of less than 1% for BI and PDL combined. Division 1 garage risks are reduced 9% for BI and PDL combined.

Central Mutual Appoints Two Field Men in Canada

Central Mutual has appointed Gary G. Crawford and Arthur Whitfield special agents in Toronto and eastern Ontario.

Mr. Crawford has been an inland marine underwriter in the company's Toronto office and assisted in developing its Canadian Homeowners policies. Mr. Whitfield has been an underwriter since 1954. Both men have completed Central Mutual's field training program.

Merrimack Mutual Names Bishop Special Agent

Merrimack Mutual and Cambridge Mutual Fire have appointed Peter J. Bishop special agent in Ohio, Kentucky, and western Pennsylvania, with headquarters in Cleveland.

Mr. Bishop has had experience as a fire prevention engineer and field man and has recently been with an agency in Cleveland.

Racine, Wis., Agents Elect Hermes

Racine (Wis.) Insurance Assn. has elected Fred Hermes president, John Christensen vice-president and Robert O. Johnson secretary-treasurer. Arthur Moss, president of the state association; George Timm, state national director; Warren Rasmussen, state regional director, and Kenneth Young, president of the Kenosha association, were guests.

NAIA Opposes Wider Bank Agency Powers

WASHINGTON—The bill to extend the powers of national banks to engage in the business of insurance, now under consideration by the Senate Committee on Banking and Currency, is vigorously opposed by National Assn. of Insurance Agents.

In a letter to Sen. Fulbright, chairman of the committee, President Robert E. Battles takes exception to provision of the bill which would allow a national bank to act as agent in towns larger than 5,000, the population limit contained in the present statute.

An insurance business is not a proper function for a national bank, Mr. Battles wrote. Banking is complex and large enough to require the bank's full concern.

The purpose of the original legislation was to enable national banks to get insurance on the subject of loans in areas with small population where insurance facilities may have been lacking. But in communities of more than 5,000 coverages are readily available through established agents.

Experience has proved that those in a position to influence placement of insurance through the power of credit may have the tendency to influence, or even coerce, the borrower to place insurance covering the security of loans through a particular channel, he added.

Personnel Managers Elect W. B. Cobaugh President

Insurance Personnel Management Assn. of San Francisco has elected William B. Cobaugh, Fireman's Fund group, president, to succeed William Fuente, Pacific Fire Rating Bureau. Also elected were: Earl Strickland, St. Paul F. & M. group, vice-president; Helen Kessel, PFRB, secretary; and R. T. Bergsund, Glens Falls, treasurer.

E. C. Paine, Phoenix of Hartford, and John Newberger, Hardware Mutual Casualty, were elected to the board.

General Accident Opens New Office in Seattle

General Accident has opened a service office in Seattle. Under the supervision of the San Francisco branch, it is managed by Robert W. Kempter, formerly branch manager in Portland. With the group since 1940, he entered insurance with Royal in 1936.

The new office, supplementing representation by the Seattle managing general agency of Groninger & Co., is located in the Colman building.

N. J. Brokers Form Assn.

George E. Lehman has been elected charter president of the new Insurance Brokers Assn. of New Jersey. Horace R. Freeston is vice-president, Edward Krown general counsel, John Savarese treasurer, Frank X. DiLeo executive secretary, and Kathryn Kessler recording secretary. All are of Newark.

The association, which will be an affiliate of National Assn. of Insurance Brokers and subscribe to its objectives, has opened executive offices at 11 Hill street, Newark.

Kennedy Joins Lyle Adjustment

William R. Kennedy has been appointed branch manager at Tucson, Ariz., by Lyle Adjustment Co. of Phoenix. He has been claims manager for Hartford Accident in Phoenix.

The Michigan department has added two new examiners to its staff, Paul Axline and Robert Case.

Requartte Now Chairman of Farmers Mutual of Neb.

Harold J. Requartte has been elected chairman of Farmers Mutual of Lincoln, Neb. He has been president and is succeeded in that position

by Dwight C. Perkins. Mrs. Helen C. Calcaterra was elected vice-president. New directors are Andrew C. Morton and James N. Ackerman.

Old Republic of Greensburg, Pa., has been licensed in New York.

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. . . of the Royal Exchange as an Agent will readily identify you with a pioneer Company which more than 237 years ago, helped found Insurance as a business.

The Royal Exchange shares with agents its prestige, traditions, strength, and well-known reputation for outstanding service.



Chartered in 1720, the Royal Exchange was first to go definitely on record as an Agency Company.

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of the United States and in Most Countries
Throughout the World.

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NEW YORK

"Service Beyond The Treaty"

Intelligent
Reinsurance
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The NATIONAL UNDERWRITER



The National
Weekly Newspaper of
Fire and Casualty Insurance

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CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz and A. J. Wheeler, Chicago Managers. R. J. Wiegand and William D. O'Connell, Resident Managers.

CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 1-2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; Arthur W. Riggs, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Riverside 7-1127. Alfred E. Cadis, Southwestern Manager.

DENVER 2, COLO.—234 Commonwealth Building, Tel. Amherst 6-2725. Fred L. White, Rocky Mountain Manager.

DES MOINES 9, IOWA—327 Insurance Exchange Bldg., Tel. Atlantic 2-5966. D. J. Stevenson, Resident Manager.

DETROIT 26, MICH.—613 Lafayette Bldg., Tel. Federal 2-5417. William J. Gessing, Manager for Indiana and Michigan.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—99 John Street, Room 2420, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

NEWARK 2, N. J.—10 Commerce Ct., Tel. Mitchell 2-1306. John F. McCormick, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad St. Room 1027, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—221 Pierce Bldg., Tel. Chestnut 1-1634. Geo. E. Wohlgenuth, Resident Manager.

SAN FRANCISCO 4, CAL.—582 Market St., Tel. Exbrook 2-3054. Richard G. Hamilton, Pacific Coast Manager.

EDITORIAL COMMENT

A Challenge to the Agency System

The National Board campaign to get insurance up to value, coupled as it is with the efforts of local agents upon whom the board's member companies must rely to attain a common goal, is a highly commendable move in the right direction. Judging by the evidence, samples of which are being presented from week to week in this magazine, the insurance rate may be all right—but the amount is far short of what it ought to be. Too many insured are suffering losses which are badly and seriously underinsured.

The fire insurers had a bad year in 1956. Also, they are traditionally modest in their ideas of how much to spend on advertising. Consequently, the almost \$1 million they are spending in this effort, meagre as it may seem to some of those in the production ranks, is an important contribution. But whatever its relative consequence, no one argues that it is enough by itself to produce the desired result.

The program is a fuse. Unless it sets fire to agents and brokers across the country, the public will not be induced to commit itself to the amounts of protection it needs. The companies will not get the money they are entitled to for assuming the risk. Producers will not get the volume nor give the service their clients deserve.

Much depends on the outcome of this program. If it fails, rate levels may have to rise much higher than producers will care for; the trend toward broader coverages may be reversed in the direction of restrictions and provision withdrawals.

Perhaps the most important thing however, is that many insured will continue to run the risk of serious economic loss from underinsurance, as they are doing today, without anyone assuming the responsibility for seeing that they do not, or at least for seeing that they have a clear opportunity of avoiding it.

The business, agent-company, has this responsibility. The program will demonstrate whether the agency system can discharge it successfully. Can the companies and their independent local producers join hands and effectively

exert themselves in doing what is so essential to be done?

They can—if they will. We are not ready to admit that individual business men, operating for their own account, cannot do a good job. We are not ready to subscribe to the opinion that if lending institutions did not require insurance on properties they mortgage or on which they make loans, there would be so little property insurance in effect today that it would by no means support the more than 500 substantial insurers and 225,000 local agents it supports today.

We think the program will be successful. But it should be quite successful—if everyone who depends on it for a livelihood exerts half the effort of which he is capable. To mark that success, every agent should keep track of the business he can trace to the campaign—by a gold star or sticker or initial on dailies. Let the home office see it. Let the record not only be made but be kept, as well.

Auto Market Study of Bureau Will Be Given More Review

The research committee of National Bureau of Casualty Underwriters has under review the countrywide automobile insurance market study made for the bureau by the independent market research organization of Stewart, Dougall & Associates. Findings of the study, which is copyrighted, are not being publicized at this time.

A summary report of the study recently was presented by the research organization staff members at a meeting of the bureau's research committee and representatives of National Assn. of Insurance Agents, National Assn. of Casualty & Surety Agents and National Assn. of Insurance Brokers.

The project included three prime areas of analysis—(1) A statistical analysis of the trends in the potential market for automobile insurance over the past five years and the relative position of bureau and their principal competitors in this market, (2) a national consumer study among families owning automobiles in 34 states, and (3) a trade study among small, medium and large producers in 74 communities representing one or more members of the bureau for automobile insurance.

One objective was to assess the implications of the findings on bureau member's position, and their opportunity in the foreseeable future in the auto insurance market. Factual evaluation of these influencing factors in the current auto insurance market will have a bearing on future action that could profitably be taken to improve the competitive situation for bureau members.

The study developed factual data on agent and broker automobile insurance selling activities, and an analysis of producer opinions and attitudes which then could be analyzed in conjunction with a study of consumer buying habits and attitudes. The study looked into the nature and makeup of agencies, selling practices and methods of con-

Labor, Management Seek Ways to Improve Employees' Medical Care

The first national survey sponsored by labor and management has been launched to find ways of improving the medical care provisions of industrial employees' welfare funds.

Columbia university's school of public health and administrative medicine is conducting the study with funds and technical aid provided by Foundation on Employee Health, Medical Care & Welfare, Inc., a research unit set up last year by International Assn. of Machinists and U. S. Industries, Inc., a metal products manufacturer with 6,000 employees.

Health needs and medical care patterns among 1 million union machinists and their families will be surveyed in interviews with the union members and their employers. The union has 14,000 contracts throughout the U. S., covering from one to 50,000 workers. The foundation hopes the survey, due to its diversity, will be valuable to all industries. The relationship between medical needs and the benefits provided by group insurance, the quality, amount and source of medical care will be investigated.

Ray E. Trussell, executive officer of the school of public health and administrative medicine, is project director and Josephine J. Williams, formerly of University of Chicago's national opinion research center, is project administrator. The foundation's representatives include its consultant, Martin E. Segal, employee welfare fund consultant of New York; Theodore W. Kheel, executive director of the foundation, and Dr. William A. Sawyer, medical consultant to the union.

ducting the business of the agencies, and the agent's attitudes, opinions and suggestions.

In the survey of public information and opinion, the study sought to develop a number of points. Among them were: Extended nature of consumer knowledge about insurance, types of companies in which automobile insurance currently is carried, consumer reports on trends in types of companies, auto insurance buying practices, consumer attitudes toward types of insurers as respects costs vs service, costs and method of payment of auto coverage, consumer attitude towards format of auto policies, experience with auto claims, awareness of auto insurance advertising, the extent to which the producer who handles auto insurance also handles other insurance, consumer reports of sales efforts on auto insurance as compared with life and home insurance, consumer attitudes toward the concept of package insurance, and attitudes of the uninsured car owner.

PERSONALS

Harold L. Pettigrew, secretary-treasurer of Underwriters Adjusting Co. at Chicago, is now convalescing at his home in Roselle, Ill. after spending three weeks in Oak Park West Suburban hospital as a result of a heart ailment. He is expected to return to work in about another month.

Griffith E. Harris, local agent at Greenwich, Conn., has been named "Young Man of the Year" by the

Lament

Although I am in good spirits and at peace with all mankind, nevertheless I am tired of, in fact completely fed up with—

1. Office parties.
2. Stenographers who can't spell.
3. Unorganized conferences.
4. Department heads—junior grade.
5. Round robins.
6. Testimonial dinners.
7. Presentation of plaques.
8. Family pictures on office desks.
9. Panel moderators who "take over."
10. Russia.
11. Undecipherable signatures.
12. Toastmasters' introductions longer than two minutes.
13. World conditions.
14. Local conditions.—H.J.B.

Junior chamber of Commerce there. He entered insurance in 1945.

Marie N. Lawless, formerly with the National Underwriter Co. at New York, and **Richard G. Lawless**, adjuster for Liberty Mutual, are the proud parents of a baby boy, Richard Scott.

DEATHS

HARRY HARRISON, 79, past president, treasurer and chairman of Worcester Mutual Fire, died. Mr. Harrison joined the company in 1913 as assistant secretary and served as secretary, treasurer, president and chairman. He was a past president of Mutual Fire Assn. of New England and of National Assn. of Mutual Insurance Companies.

WILLIAM OTTER, 76, retired vice-president of Marsh & McLennan, died. He had been with the company for 57 years and continued to serve in an advisory capacity until his death. A son, William R., is with Joshua B. Glasser Associates of Chicago.

GEORGE C. CLARKE, 61, secretary of Selective, died. He was a co-founder of the company.

CORNELIUS E. SWOPE, 68, local agent of Louisville, died. He was a past president of Louisville Board of Fire Underwriters.

LLOYD W. HILL, 71, agent with Travelers at Chicago, died of a heart attack. He just recently had celebrated his 50th anniversary with that company.

ROBERT M. CALBERT, 49, assistant divisional sales manager of personal lines for Liberty Mutual at Chicago, died in an automobile accident. He had held that post since moving to Chicago from Dallas two years ago, and he had been with the company for 16 years.

MARTHA MULLICAN, mother of C. N. Mullican, fire manager at Chicago for Fireman's Fund, died at Louisville, Ky.

A. W. KOCH, Odell, Neb., who completed 30 years as an agent for Union of Lincoln last December, died.

FREDERICK W. SMITH of the New York insurance brokerage firm of Alexander & Alexander died at his home in Westfield, N. J.

MRS. THOMAS E. WOOD, wife of the head of Thomas E. Wood agency of Cincinnati, died following a long illness.

Central Ill. Managers Hear Talk on Fire Protection

Central Illinois chapter of American Society of Insurance Management heard F. J. Zeleny, Factory Insurance Assn., discuss fire protection at its February meeting in Bloomington.

Mr. Zeleny stressed the importance of employee training in use of fire extinguishers. A film, "The First Five Minutes," was also shown.

Offer Second Welfare Bill Again

Sen. Ives of New York, Allott of Colorado and Smith of New Jersey have introduced a bill to provide for the registration and reporting of welfare and pension plans.

The bill, containing recommendations of department of labor, is similar to the measure introduced a few days earlier by Sens. Douglas of Illinois, Murray of Montana and Ives of New York.

Mutual Loss Prevention Conference to Meet in Chicago March 14, 15

Loss Prevention Managers Conference of National Association of Mutual Insurance Companies will meet in Chicago March 14-15.

Keynote speaker at the meeting will be Ned H. Dearborn, president of National Safety Council. Other speakers and subjects planned for the two-day conference are: Norman L. Trebilcock, Badger Mutual, "Future of Mutual Insurance in Safety and Loss Prevention"; W. G. Schultz and C. M. Rowley, Kemper group, J. R. DeHaven, Employers Mutuals of Wausau, and Norman Williams, Meridian Mutual, panel discussion, "How to Promote Mutual Insurance Through Engineering"; Claude Stubbe, Mutual Service Casualty, "Obtaining Better Loss Ratios Through Employee Selection"; C. M. Blaesi, Indiana Lumbermens Mutual, "Fire Prevention and Protection Problems"; Russel M. Dougherty, Federated Mutual Implement and Hardware, "Organization of an Engineering Department for Multiple Line Operation."

A film, "Take a Good Look," produced by Auto-Owners of Lansing will conclude a discussion of motion picture making at the final session of the conference.

Chairman for the conference is L. A. Church, Michigan Millers Mutual.

Hadsell Is Advanced by Security-Connecticut

Benjamin J. Hadsell has been appointed manager of the accounting and statistical department of Security-Connecticut group. He joined the companies in 1947 as chief accountant of the Pacific division in San Francisco. He was promoted and transferred to New Haven in 1954 to establish the company's budgetary planning and control program.

Discuss Compulsory Driver Bill

At a public hearing in Hartford Rep. E. W. Martin, insurer safety engineer, and Rep. Sheehan spoke in favor of a proposal to make driver training courses mandatory in public schools.

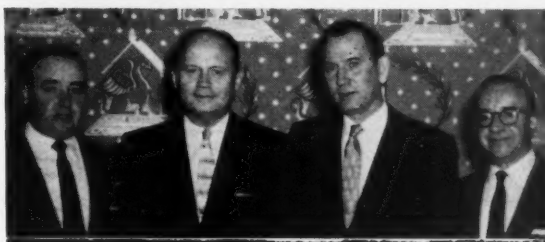
Sen. Watson proposed an alternate bill which would require an applicant 16-17 years old to present a certificate of training from a private or public secondary school before taking a license test. Robert I. Catlin, vice-president of Aetna Casualty and chairman of the state safety commission, supported Sen. Watson's recommendation.

Earle Russell of Windsor, speaking for Connecticut Assn. of Public School Superintendents, opposed increased driver training because of cost.

Sidney R. Mason and Mitchell G. Cole have joined Liscomb-Hood Co., agency of Duluth.



director, Ann Auerbuch, Goldblatt Bros., continuing secretary; Geoffrey J. Burns, Continental Illinois National Bank, continuing treasurer, and C. Henry Austin, Standard Oil of Indiana, retiring president. Casmir Z. Greenley, International Minerals & Chemical Corp., the new president of the chapter, was in Florida for his company and not present for the election meeting. The new vice-president, Richard E. Blakley, Chicago Tribune, was not present either. He was home with the flu. (See story page 13).



Attending the reception at the Palmer House after the annual all-day meeting in Chicago of central regional members of National Assn. of Independent Insurance Adjusters are (left to right): James J. Ryan, regional vice-president of Ashland, Ky.; M. M. Johnson, past president, Fort Wayne; Ralph G. McCallum, general manager, Chicago; and another past president, C. J. Peck of Toplis & Harding, Chicago. At the business meeting, members discussed and reviewed catastrophe operations, the likelihood that they will assist in adjustment of losses emanating from the federal flood insurance program, and they agreed to accept assignments for referral to other competent adjusters elsewhere with the approval of local company representatives concerned. Forty-five members from Illinois, Indiana, Kentucky, Michigan, Ohio and Wisconsin were represented at the meeting.

Name Three Analysts of Hartford Fire

Martin W. Davenport, Gordon W. Shand and Philip C. Loomis have been appointed investment analysts of Hartford Fire.

Mr. Davenport has been with the home office investment department since 1954, and in the investment field for 17 years. He formerly was with Securities & Exchange Commission. Previously with the New York investment brokerage firm of Wood, Struthers & Co., Mr. Shand went to Hartford Fire in 1955. Mr. Loomis has been with the company since 1954. A business instructor at Hillyer College in Hartford, he formerly was with Northern Trust Co. of Chicago.

Marine Underwriters Elect Terry President in Seattle

Board of Marine Underwriters of Seattle has elected E. M. Terry, Landis, Pelletier & Parrish, president; T. W. Rice, A. B. Knowles & Co., vice-president; F. W. Perry, Union of Canton, secretary-treasurer (reelected), and Irwin Mesher, executive secretary.

Charles L. Link, Fireman's Fund group, immediate past president of the board, conducted the meeting.

New Brown Bros. Office Opened

Brown Brothers Adjusters, which maintains 26 offices in California and Nevada, has established a new branch in Portland, Ore., at 3376 N.E. Sandy boulevard. Carl Nath, who has been in charge at Eureka, Cal., for three years has been named adjuster-in-charge at Portland. Succeeding him at Eureka are Wallace Drury, adjuster-in-charge and Adrian Anderson, assistant.

Greater Buffalo Assn. of Insurance Agents heard John G. Meyer, executive secretary of New York State Assn. discuss proposed state insurance legislation at a recent meeting.

Pacific Indemnity Shows Net Loss, Premium Rise

Pacific Indemnity will pay a regular quarterly dividend of 70 cents per share April 1 to stockholders of record March 15. The company reported a net loss of \$255,464 for 1956 compared with a net profit of \$1,444,467 in 1955.

Net premiums written by the company during 1956 were \$29,447,208 after deducting reinsurance ceded for a 13.78% increase over the \$25,881,532 written in 1955.

Underwriting operations produced a loss before federal taxes of \$1,540,446 compared with a net profit of \$869,661 in 1955. Equity in unearned premium reserve was estimated to have increased \$432,629 last year and \$65,896 in 1955. Net investment income before federal taxes amounted to \$1,269,798 compared with \$1,200,674 in 1955.

Pacific Indemnity reported total assets at the end of 1956 were \$54,068,441, an increase of \$1,819,460 over the previous year. Surplus to policyholders was \$18,233,501, a decrease of \$1,473,523 for the year.

STOCKS

By H. W. Cornelius Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, Feb. 26, 1957

	Bid	Asked
Aetna Casualty	121	124
Aetna Fire	69½	71
Aetna Life	170	173
Agricultural	29½	31
American Equitable	32¼	33½
American (N.J.)	27¼	28½
American Motorists	10¾	11¼
American Surety	17	18¼
Boston	33	34½
Camden Fire	27½	28½
Continental Casualty	82	83
Crum & Forster com.	58	59
Federal	35	36
Fire Association	43½	45
Fireman's Fund	50½	52
Firemen's (N.J.)	34	35
General Reinsurance	46¾	47¾
Glens Falls	32	33
Globe & Republic	17¾	18¾
Great America Fire	35½	36½
Hartford Fire	145½	147½
Hanover Fire	39	40½
Home (N.Y.)	41	42
Ins. Co. of No. America	92¾	94
Maryland Casualty	34¼	35
Mass. Bonding	29¾	30¾
National Casualty	63	64
National Fire	67	70
National Union	38¾	39¾
New Amsterdam Cas.	43	44
New Hampshire	37¾	39
North River	34¼	35¼
Ohio Casualty	23	25
Phoenix Conn.	75½	76½
Prov. Wash.	21½	22½
St. Paul F. & M.	51	52
Security, Conn.	34¾	35¾
Springfield F. & M.	45½	46½
Standard Accident	51	52
Travelers	73	74
U. S. F. & G.	64	65
U. S. Fire	23¾	24¾

Among 1957 officers and directors of Chicago chapter of American Society of Insurance Managers are, left to right, E. E. Williams, Collins Radio Co., a new director; M. C. Peterson, Wisconsin Electric Power Co., a continuing

NEWS OF FIELD MEN

St. Louis Pond Is Host to Ill. Field Men, Ill. Fire Prevention Assn.

Illinois State Fire Prevention Assn. and Illinois Fire Underwriters Assn. held meetings in St. Louis, Mo., following the first joint dinner meeting of the St. Louis and Chicago ponds of Blue Goose. Most Loyal Grand Gander Jules E. Simoneaux of New Orleans spoke at the dinner, and officers of the two ponds were introduced.

At its meeting, Illinois State Fire Prevention Assn. elected Charles Miller, Scottish Union, president; J. D. Streich, St. Paul F&M., 1st vice-president; Wilfred P. Penny, New York Underwriters, 2nd vice-president, and Ross Harmon, retired, secretary. Officers will be installed at the June meeting.

Illinois Fire Underwriters Assn. heard Garrett James, W. H. Markham & Co., St. Louis general agency, discuss hazards of the chemical industry. James Snyder of the Hiram Walker Co., Peoria, Ill., presented an illustrated talk on "Fire Prevention in Whiskey Distilling and Storage" and showed a film on the subject.

London Group Conducts Field Men's Conference

Executives from 23 states and approximately 50 field men attended London group field men's conference in Asbury Park, N.J. Directed by Fred C. Saal, assistant secretary, the conference brought field men and office personnel together for sessions designed to keep the man in the field abreast of new procedures and methods of company operation. Following the conference field men attended additional study sessions at the home office in New York.

Holmes, Pettitt Named by London & Lancashire

London & Lancashire has appointed David B. Holmes state agent for eastern Massachusetts and Robert A. Pettitt special agent for western New York. Mr. Pettitt succeeds Mr. Holmes, who has replaced the late Harry L. Anderson in the office at 89 Broad street, Boston. Mr. Pettitt will make his headquarters at 936 Ellicott Square building in Buffalo.

Hanover Fire Names Thomas to Minn. Field

Hanover Fire has appointed Paul A. Thomas state agent in Minnesota to succeed Bernard M. Kiesner, who has joined a local agency in St. Louis Park.

Mr. Thomas has been in insurance for 15 years, including 10 years as a Minnesota field man. He will have offices in Minneapolis.

Bohn To Iowa Field

St. Paul F&M. has assigned Stewart J. Bohn Jr. to Des Moines as special agent to service southwestern Iowa. He joined the company in 1948 in the home office.

Benson Gets 50-Year Pin

John Benson, retired Oklahoma field man for New York Underwriters, was presented his 50-year pin by Oklahoma Blue Goose at a meeting in Oklahoma City.

Mr. Benson is secretary of Oklahoma Fire Underwriters Assn. and has been connected with insurance for 59

years, mostly in Oklahoma. He joined the Oklahoma pond in 1906 shortly after it was chartered. He is the only 50-year member of the organization. He retired from New York Underwriters about 15 years ago.

Dakota Blue Goose Elects G. W. Schumacher

At its annual splash in Huron, S. D., Dakota Pond of Blue Goose elected G. W. Schumacher, Fireman's Fund, most loyal gander; J. V. Jennewine, Commercial Union, supervisor; Kenneth P. Steen, Fire Underwriters Inspection Bureau, welder; Ray F. Kehrwald, Home, custodian; John F. Carlson, Western Adjustment, keeper, and M. S. Jones, America Fore, guardian.

Williamson Is Home Special Agent in Ala.

Home has appointed Russell G. Williamson a special agent for Alabama. He formerly was in the marine department in Atlanta.

Fireman's Fund Names Weis in Florida Field

Fireman's Fund group has appointed Edward W. Weis special agent in Florida with headquarters in Jacksonville.

Mr. Weis was with Fireman's Fund group for 8½ years in underwriting, claims examining and group production work in Connecticut. He has been a partner in a Connecticut agency for the past year.

Minn. Speakers Club Names H. H. Brockopp President

Minnesota Insurance Speakers Club has elected Harold H. Brockopp, Home, president; Carroll J. Ahlstrand, Crum & Forster, vice-president, and Gordon Alston, Great American, secretary-treasurer. The club is sponsored by Minnesota Fire Underwriters Assn.

Hartford Fire Names Godfrey Texas Special

Hartford Fire has appointed William C. Godfrey to succeed Robert G. Bezucha as special agent in southwest Texas. Mr. Bezucha has been named agency superintendent in Atlanta. Mr. Godfrey has been with the company since 1955. He was formerly in underwriting.

Inspect Standish, Michigan

Michigan Fire Prevention Assn. has inspected Standish, Mich., covering 85 buildings, of which 72 were defective. A total of 200 recommendations were made.

Roy Jennings, Fennell & Fennell, managing agency of Detroit, made three school talks to 500 children, and Arthur L. Gunderson, Northern of England and vice-president of the association, addressed the local Kiwanis club. Robert L. Fawcett, America Fore group, spoke at the dinner meeting.

The association will inspect St. Joseph and Benton Harbor March 13-14.

Minnesota Pond Elects H. W. Houd

At its annual meeting last week, Minnesota pond of Blue Goose elected H. W. Houd, Firemen's of N.J., most loyal gander; T. T. Karlquist, Royal-Globe group, supervisor; Herbert E. Smith, Commercial Union, custodian; Paul A. Thomas, Security-Connecticut group, guardian; W. L. Holm, Crum & Forster group, keeper, and Walter W. Ayrault, North British, welder.

N. J. Dinner Honors Blue Goose Leader

Jules E. Simoneaux of New Orleans, most loyal grand gander of Blue Goose, was honored by some 200 ganders representing Garden State pond, of New Jersey, New York City pond, and ponds throughout the northeast states, at a dinner in Hoboken. Fred Bross Sr., MLG of Garden State pond, presided. Guests included Philip M. Winchester of New York and Robert L. Wiseman of Washington, D.C., past most loyal grand ganders.

Mr. Simoneaux outlined the program of the 1957 Grand Nest meeting which will take place in New Orleans Aug. 26-28.

Mich. Field Men Hear Airlines Representative

Jennings Randolph, Capital Airlines, spoke on "The Human Side of Business" at Michigan Fire Underwriters Assn.'s February meeting in Grand Rapids. Walter H. Wolf, Western Underwriters Assn., Chicago, was a guest.

Crum & Forster Appoints E. D. Higgins in Indiana

Crum & Forster has appointed Edward D. Higgins field supervisor for Indiana with headquarters in Indianapolis.

Earl Sweet, formerly a special agent in Minnesota, has been named to succeed Mr. Higgins as state agent in western Wisconsin.

Corroon & Reynolds Open New Hail Office in N. D.

Corroon & Reynolds have opened a hail office for North Dakota and Minnesota. It will be supervised by Regional Manager Robert H. Miller, assisted by Special Agent Howard O. Grimm, from offices at 305 Black building, Fargo, N. D.

Appoint Riley Hartford A. & I. Special in Ohio

Hartford Accident has appointed Robert R. Riley special agent for southwestern Ohio, with headquarters at Dayton. He transfers from Indianapolis. Formerly special agent for eastern Indiana, he joined the company eight years ago.

Robinson of Spectator Joins Gottlieb & Co.

Jean Robinson, former feature editor of *Spectator*, has become associate account executive of Edward Gottlieb & Associates, a New York public relations firm. Mr. Robinson previously was copy chief of Kennedy-Ceglia advertising agency of New Jersey.

North British Revamps Dakotas Field Force

North British group has rearranged the field supervision of its operations in the Dakotas. William E. Liebbe has been named state agent in North Dakota.

Inspect St. Clair, Michigan

Michigan State Fire Prevention Assn. has inspected St. Clair, Mich., covering 109 buildings and making 321 recommendations.

Don R. Bray, Corroon & Reynolds, showed an Underwriters Laboratories film and addressed 360 school children. Roy W. Nicholson, Great American, and David H. C. Morris, Great American, secretary of the association, made arrangements for the inspection.

B. H. Peterson, Aetna Casualty, spoke at the dinner meeting.

Hartford A.&I. Makes Several Field Changes

Hartford Accident has promoted four at Washington, D. C. Frederick Bauernschmidt advances to assistant manager, James W. Cassidy III to agency supervisor, Paul D. Snodgrass to superintendent of casualty, and Philip W. Shoemaker to special agent.

Mr. Bauernschmidt has been with the company since 1936. Assigned to Washington in 1942, he has been a special agent, underwriter and casualty superintendent. Mr. Cassidy joined the company in 1947, and has been a special agent and underwriter. Mr. Snodgrass and Mr. Shoemaker have been in casualty and surety at Washington since 1949.

James M. Stephenson Jr. has been appointed a special agent of Hartford Accident in Atlanta and north Georgia. He joined the company as a trainee in 1955, and is a graduate of Hartford Fire training center.

Hartford Accident has appointed C. Gilbert Bullock special agent in Connecticut and Rhode Island. Specializing in surety and fidelity bonds, he was formerly a bond underwriter in the New England office at Hartford. He joined the company as a trainee in 1955.

North British Holds Field Meeting in Cincinnati

The third of a series of field conferences was held this week by North British group in Cincinnati for field men in the Michigan-Ohio, western and midwestern departments. Meetings were conducted by Secretaries Barker, Day and Hudson. Featured speakers from the New York office included J. L. Magenheimer, H. P. Linn and H. W. Casler, assistant U. S. managers.

Western Mass. Field Club Names Officers

Western Massachusetts Field Club has elected Peter J. Coyne of London & Lancashire group president, O. Walter Somppi of New York Underwriters vice-president, Maurice E. Gillet of Aetna Casualty secretary, and Russell H. Moore Jr. of Royal treasurer.

N. H. Fire Group Names Modery Special Agent

New Hampshire Fire has appointed Robert R. Modery special agent assisting State Agent Frederick E. Hill in southern and western Ohio. He formerly was associated with Western Adjustment in Jefferson City, Mo.

Security-Connecticut Names Ohio Engineer

Security-Connecticut has appointed Leland M. Matz engineer in the Ohio branch. An engineer of 15 years' experience, he previously was with Employers group.

Name C. F. Farrer in Tenn. Field

Zurich-American group has appointed Donald F. Farrer field representative in Tennessee, with headquarters in Knoxville. Mr. Farrer has been state agent in Tennessee for Southern F&M.

Arthur B. Fair Sr., local agent at Natick, Mass., has been elected a director of Excelsior. He is past president of Massachusetts Assn. of Insurance Agents, and served as NAIA legislative chairman. He is presently vice-chairman of Eastern Agents Conference.

Donald Dillon has joined Ellis, Smith & Co., local agency of Dallas.

A & S

Illinois Legislature

Considers A&S for Cats, Dogs

Tabby, the cat, which in recent years in Illinois was assured of his inalienable right to track down birds, is getting ready to stir up another fuss in the Illinois general assembly as a result of the introduction of a bill to amend the 20-year-old Illinois insurance code to permit cats, dogs and other domestic animals to qualify for A&S and accidental death coverage. The bill, sponsored by Rep. Burhaus of Peoria, has been looked upon by some favor by veterinarians and members of the insurance fraternity. The constitutionality of such a measure in Illinois is expected to be questioned. Similar laws have been enacted by several other states, however.

Cats last grabbed the legislative spotlight in Illinois during the term of Gov. Adlai E. Stevenson, when he vetoed a bill that would have banned cats from prowling about unless accompanied by a master and held on a leash. Mr. Stevenson in ruling out leashes and bells for Tabby declared in his usual style, "It is in the nature of cats to do a certain amount of unescorted roaming."

FTC Halts LaSalle Cas. Alleged False A&S Ads

Examiner Laughlin of Federal Trade Commission has ordered LaSalle Casualty of Chicago to halt A&S advertising which he held to be false and misleading. The order may be appealed, stayed or docketed for review by the commission.

Mr. Laughlin said the advertising misrepresented the duration of coverage, amounts payable for hospitalization, surgery and medical bills, and amount and duration of monthly disability benefits. His order would require the advertising of benefits to be accompanied by a statement of all conditions, exceptions, restrictions and limitations on the coverage set forth prominently and near the representation to "relieve it of all capacity to deceive."

Advertising statements on duration of coverage created the impression that insured can receive full coverage for life by timely payment of premiums, Mr. Laughlin said. However, he said, all policies are renewable at the company's option only and some specifically reduce benefits by as much as 50% when a policyholder reaches an advanced age.

Fidelity L.&D. Sells A&S Business

The A&S policies of Fidelity Life & Disability of Denver have been assumed by Rocky Mountain Empire of Denver which was formed last year by Dale H. Wise, a former executive of Fidelity F.&D. Mr. Wise said Rocky Mountain Empire has in mind a premium income of \$1 million by 1960, and the newly acquired business will give it a running start.

Fidelity L.&D. recently sold its life business to Farmers Union Life of Denver. Fidelity L.&D. retains its corporate identity, but President W. L. Vernon has not announced future plans for the company.

Old American Promotes Fidler

C. R. Fidler has been elected to the newly created post of vice-president and senior underwriting consultant of Old American of Kansas City. He has been in insurance for 57 years, 14 with Old American.

J. Frederic Allebach has been elected to the board.

Insurance Women of Kenosha, Wis., heard Thomas J. McGlynn, state agent for Milwaukee of Loyalty group, discuss the development of the package policy at the February meeting.

Michigan Midyear Stresses Agency Potential

(CONTINUED FROM PAGE 1)

unveil some opportunities and then offer ways and means of taking advantage of them.

The company headquarters were not as plentiful as they might have been only two or three years ago, but there was no noticeable lack of places to go. Continental Casualty and National Fire and American and American Automobile had combined headquarters rooms for probably the first time since their affiliations.

Meetings of the public relations planning committee under the chairmanship of Mrs. Esther Diebold, West Branch, and of the executive committee, constituted the unofficial beginning of the convention Wednesday afternoon and evening. As usual, Commissioner Joseph Navarre was a guest at the executive committee dinner, and he commented briefly on the threat of federal regulation of insurance, remarking that if the Federal Trade Commission is successful in defeating the intent of the McCarran act, "what may happen to the agent is up for grabs." Mr. Navarre said he was extremely gratified that 38 states joined the Michigan attorney-general in filing a brief disputing FTC jurisdiction

McCaffrey said there has already developed a sizable agenda for the June meeting of the midwest agents with the Western Actuarial Bureau. In the interim, he added, fire rates for schools have had a good deal of attention and filings have been made in Michigan to reduce the rates. The agents' association, Mr. McCaffrey said, had a lot to do with this action. "Only the future can show whether the companies can live with these new rates," he observed, remarking that they were not unfair before. However, the Michigan agents have been having a difficult time holding their school business and the loss ratio has not been adverse.

Dwelling rates also ought to change in the near future, Mr. McCaffrey revealed. This will be primarily in an effort to meet the windstorm problem.

On the legislative scene, he said so far 46 bills have been introduced in Michigan affecting insurance; eight of them are workmen's compensation, 17 accident prevention, and there are measures on UJF, compulsory auto, comparative negligence, government owned insurers and the group life definition. The compulsory and UJF measures are not considered particularly dangerous at this session, Mr. McCaffrey declared, provided they do not find additional and unexpected impetus. He said the association has had a good response from its members when they have been called upon to contact legislators.

Mr. McCaffrey commented about the recent talk of Thomas Morrill, vice-president of State Farm Mutual Auto, who had some criticisms of the agency system. Noting that Mr. Morrill admitted the independent companies were pressing for higher automobile rates, Mr. McCaffrey pointed out this indicates the agency system is as competitive rate-wise as it has ever been. He advised the agents not to let "handwringers" tell them the system is in trouble, because there has never been a cheaper way developed to deal with the system than the one under which the salesman doesn't get one penny until he makes the sale.

Concluding speakers on the first day were Phillip R. Mongeau, assistant deputy director of driver services of the Michigan department of state; Harold L. Smith, driver education consultant, and Eugene F. Gallagher, fire and marine manager at Chicago for Standard Accident group, whose talk is reported elsewhere.

Mr. Mongeau's duties concern keeping tabs on drivers who have been involved in accidents or violations, calling them in for tests, re-examinations and hearings if their records become unfavorable. Two of the members of his staff demonstrated the workings of a re-examination hearing to show how the service operates.

Mr. Mongeau explained that each traffic court reports to driver services on violations and the state police report on accidents. These reports go into the file for each driver, and last year the services received 800,000 reports of violations and 200,000 on accidents.

Michigan does not employ a point system with automatic suspension when a driver reaches a certain number of violations. Instead, interviews are conducted which could determine that the drivers should not have a li-

cense at all or should be given varying degrees of suspension or probation.

The demonstration involved the case of the man who had been warned previously by driver services and then was involved in three more violations. The audience was asked at the conclusion of the mock hearing to express its own opinion on what action should be taken, and there were some votes for revocation, a large number of votes for suspension of from 30 to 60 days, some votes for restriction of the license, a few for probation and none



M. Frank McCaffrey



M. Robert Olp

for the leniency of a warning. The actual penalty, Mr. Mongeau said, was a 180 day suspension.

In answer to a question, Mr. Mongeau admitted that 50% of those who have their licenses suspended continue to drive, but in some areas the effectiveness is enhanced if the police cooperate by using the weekly list of drivers who have been ruled off the road. In some small towns the newspapers print the list, and when they do this there is almost never a violation, Mr. Mongeau said.

Mr. Smith showed a film on visual driver training produced by Ford Motor Co. The system involved the use of ideas Mr. Smith and his associates have developed to encourage better driving by teaching motorists to keep their minds on what they are doing through development of proper habits.

The morning session Friday was given over to a panel on production ideas from some of the younger agents. William J. Mundus of Ann Arbor, whose father, Joseph Mundus, has been a stalwart of the Michigan association for many years, was the moderator, and he performed in a professional manner. The panel members were Donald Karcher of Dearborn, Robert J. Molhoek of St. Joseph, Robert E. Currier of St. Clair, Herbert F. Bunting of Ypsilanti, William J. Phillips of Flint, and James E. Thornton of Plymouth. The average age of these agents in the business is six years, but they showed the effects of the higher educational requirements for agency licenses prevailing today. Most of the panel members have attended company schools.

Mr. Karcher, discussing automobile insurance, said the competitors are advertising their products and have the advantage of a lower rate, but more important they are aggressive. They ask people to buy. The so-called bureau agents, he said, have good companies and good coverage. Their companies underwrite the business first and are slow to cancel. This is something that impresses insured, and Mr. Karcher said advantage should be taken of it.

He advised that the agent should point out to his prospect that he represents more than one company and at the same time he represents the insured and not the company only as does the captive agent. Road Aid program in Detroit has offered better service than the automobile club, Mr.

(CONTINUED ON PAGE 27)

Changes in Merchandising Methods Needed to Maintain Agency System's Position

(CONTINUED FROM PAGE 3)

tem. "It was but to be expected that the specialty companies, once they had been firmly established, would enlarge their scope and embrace other lines of insurance—especially the personal lines, including dwellings and household goods."

But in addition to the impact that automobile insurance had, Mr. Gallagher observed there were significant changes affecting merchandising and selling in general. The evolution received its greatest impetus with the advent of the discount house and the chain store. Open competition is, after all, the lifeblood of the economy. There has been a growing conviction that the future of the average enterprise, if it is to be successful, will be predicated upon the basis of large volume and relatively small margin. Following the pattern, it seems certain that the road ahead for small businesses with small volume will be even more tortuous than it has been. The financial pages even now are reporting a disturbing increase in the number of small business failures or discontinuances.

"In our own business we must make some changes," he said. "The alternative is to see agency stock companies continue to lose their importance in the realm of insurance."

There have already been important changes in the insurance product. Features which were thought entirely impossible just a decade ago have been introduced—replacement cost insurance, "package" policies, including third party liability in the dwelling class, and all-risk concept including the assumption of transportation perils in the commercial property coverage, and a broad policy contract for industrial property now on the threshold in most states. In the casualty field there is the new family automobile policy paying for personal injury loss even when caused by a hit-skip driver, and further broadening of that contract is expected. "We have done a lot in the way of new contracts. Some of these contracts may prove troublesome. How we can take, for example, three lines of insurance which have been unprofitable, combine them in one contract at a reduced rate and at an increase in over-all commission and expect to make money on the deal is a little bit puzzling to some of us. We have already been obliged to increase materially the premium for one of our homeowner forms in Cook county. Maybe on these coverage changes we might well be advised to rest for a while until we catch up with ourselves."

But more important than these innovations in coverage is the possibility of changes in merchandising methods, Mr. Gallagher declared. These changes are in the talking stage now and have not yet actually appeared upon the horizon but they may well be just beyond it.

First, he said, there is a feeling that the markup may be too high. "Some prominent and successful agents think commissions on some lines are excessive and that by keeping them high they are maintaining an unrealistic commission percentage at the price of actually losing commission dollars. They feel that on some lines service is largely a conversation piece. They point out that even in connection with automobile insurance, bodily injury

has an accident frequency of approximately 3% and property damage about 11%. That means that on the average you are called upon as agents to render service beyond the writing of the policy and the changing of motor and serial numbers only once in 33 years for bodily injury and once in 9 years for property damage."

Second, there is a feeling that the graded commission scale is all wrong. "We have a higher margin on our ordinary automobile policy that comes to us than we have on a complicated industrial risk which requires the agent to extend his knowledge and professional skill. We have a higher markup on a simple dwelling policy than we have on a reporting form on stock of a complex mercantile establishment. This feeling on the part of some is strengthened by the knowledge that our common competitors are making their progress in automobile and dwelling insurance."

Third, there is a feeling that maybe the entire method of markup or commission leaves much to be desired. He said it is pointed out "that our commission scheme means that the agent who writes business in a locality where experience has been good and as a result rates are low must sell twice as much insurance as an agent who lives in an area where losses have been severe. They wonder why an agent, say in Jackson, Mich., who sells a policy for \$40,000 on a typical brick mercantile building receives as his commission approximately \$150, while an agent in Jackson, Tenn., who has a similar policy on an identical building receives a commission of \$375."

Fourth, "one thing above all others in the minds of many who are looked to for leadership in the business is that whatever the method may be we must reduce cost. We must reduce company expense and we must reduce distribution costs. They feel that we cannot continue to ignore the whole trend of business—that we cannot close our eyes to the general merchandising pattern. We are the only one of the larger enterprises which, to secure increased volume has not reduced its cost of distribution. General Electric recently cut dealer mark-up four points and distributors' margin two points. We have actually done just the opposite. Our mark-up which term we may apply to our commission has increased from 24.4% in 1951 to 25.7% in 1955. They feel that to regain our place in the insurance field we too must adopt the principle of increased volume at lower margin."

More than ever, he commented, people are price conscious—they want to know what goes to make up the cost of anything they buy. "Our loss to our competitors has been almost entirely on a price consideration and there is some doubt that even the improved service we can render through our agency plant will offset a great difference in cost."

Some of the thinking is to the effect that in the days ahead the small non-aggressive agent whose business is almost exclusively in dwellings and personal lines will be hard pressed to continue, Mr. Gallagher said. If lower margins should be established for the personal lines then the agent will have to turn more and more to commercial and industrial risks in order to survive.

The competent agent who is equipped to render real service to the commercial risks would find nothing to worry about, but the part-time producer who so often writes only a small volume of personal business would probably find it not worth while.

"At the present time we need calm thinking and we haven't been having it. Certainly we have not been witnessing it in the company activities. Seeing their share of the market declining, the stock companies have been attempting to attract business from each other instead of trying to attract more business from an enlarged market. In some sections they have been indulging in commission battles, serving thereby to increase the expense portion of the insurance dollar."

And, he added, there has not been the degree of calm, sound thinking on the part of the agents that might be hoped for. If an agent is convinced that the commission he is receiving is fully earned by his work and service then he should stand by that belief. "Believing that, how can he take on representation of an additional company which sells its product at a deviated rate and which pays a lower rate of commission? Obviously, he cannot question the quality of the insurance he is selling. He can scarcely suggest that he will render less service as an agent on the cheaper policy. How does he select the client to whom he sells it a less than cost? How does he justify higher cost to the other client?"

Mr. Gallagher remarked that agents can contribute most to the future of the business and their interests by doing a vigorous selling job. There are still literally millions of persons and innumerable enterprises with woefully inadequate protection, and in many cases it is because no one ever took

the time to explain to them what they really need and what is available.

"Actually, we are not doing a very good job in carrying for the simple dwelling lines. About 10 years ago we made a concerted drive for better insurance to value but we haven't been doing too much about it lately. A house built in 1957 for \$10,000 is worth approximately \$15,200 today. If we had been fortunate enough to have had better insurance to value the 1956 fire experience would have shown a profit."

"One can go on and on about our failure to sell complete protection, or in too many cases even to suggest a complete program. I can't be too sincere in saying that you must increase sales and create premiums, because if you increase your sales and production, whatever happens you will have one hedge which cannot be ignored—volume will support you where margin alone may fail. Many of you who have really been doing a selling job don't even realize that we are facing a problem."

However, he concluded the problems can be solved "only by the sincere and understanding cooperation of all of us. Should we fail in this challenge then the decision will be taken out of our hands because there comes a day when those who are stockholders, individuals or investment trusts, will lose their patience with unprofitable operation. When the mass of stockholders speaks even top management is expendable. In the final analysis the agents and the agency stock companies are partners in this business of insurance. If any step which is taken in an effort to solve our common problems would ultimately result in less dollar income for the agents then that step is definitely wrong. We must benefit together or the battle is not worth fighting."

Employers Mutuals Have Premium Gains in 1956

Employers Mutual Liability of Wausau, Wis., had premiums in 1956 of \$97,377,146, a 9.25% increase over 1955. Assets increased to a record \$194,610,437.

Workmen's compensation premiums were \$60,369,887; general liability, \$13,195,617; automobile, \$12,734,742; group liability, \$7,700,777; fidelity, \$2,193,542; and other lines, \$1,182,581.

Employers Mutual Fire had premiums of \$5,694,629. Losses increased to \$2,451,166. The company ended the year with assets of \$11,542,092.

Hartford A. & I. Bond Course Completed by 27

Twenty-seven Hartford Accident staff members from field offices in 14 states, and from the home office, have completed the casualty, surety and fidelity bonding course of study offered at the company training center in Hartford. The group was composed mainly of underwriters and special agents, and they received instruction in automobile, liability, workmen's compensation, A&S, burglary and plate glass, and various forms of surety and fidelity bonds.

Honors 55-Year Agency Service

John Allen Jones & Son agency in Opelika, Ala., has been awarded a plaque commemorating 55 years of representing Scottish Union. Claude E. Boykin, general agent of the group in Alabama, presented the award to Edward Jones Sr., who operates the agency in partnership with his son.

Norman A. Paulson, formerly manager for Western Adjustment in Racine, Wis., has joined the N. Christensen & Son agency of that city. H. W. Scholl has been appointed to succeed Mr. Paulson as manager of Western.

Southern Claims Group Elects A. M. Cockrell

Tri-State Claims Assn. has elected A. M. Cockrell, Shreveport claims manager of Maryland Casualty, president; W. J. Keener, Alexandria claims manager of American Surety, and H. G. Dickens of Crawford & Co., Monroe, vice-presidents, and Miss Donnie Moore of Travelers' Shreveport claims department, secretary-treasurer.

The association includes south Arkansas, east Texas and north Louisiana adjusters who meet monthly in Shreveport.

Crews Named at Denver by Hartford Accident

Hartford Accident has named Lloyd I. Crews district engineer at Denver. He supervises field engineering in Colorado, the area around Albuquerque, and a small section of western Nebraska. Formerly in charge at Amarillo, he has been with the company since 1946.

Lamb Joins Dayton Agency

Charles D. Lamb, who for 20 years has been state agent in Ohio for Aetna Casualty, has joined the Leo agency of Dayton as manager. James C. Gaddis, former manager, will continue with the agency.

Mr. Lamb graduated from Illinois Tech, and was with Ohio Inspection Bureau before going with Aetna Casualty. He is a CPCU and is a past president of Ohio Fire Prevention Assn.

NOSKER EMPLOYMENT AGENCY
Insurance Specialists 34 years
Operating in California exclusively
Claims Mgr.—\$10-12,000
Los Angeles—Multi. Line
610 So. Broadway Los Angeles 14

Mich. Agents Hear Production Pointers

(CONTINUED FROM PAGE 25)

Karcher said, and this is something that should be stressed.

The new uninsured motorist coverage should be sold aggressively. This is a service of the agency system for the insured, and Mr. Karcher said his experience has been that when the insured learns of it he is pleased to have the agent offer the coverage.

The package policies will end the slow death of the dwelling business for agents, Mr. Molhoek said in his talk on homeowners'. The more expensive package coverages, however, are competing with a desire on the part of the consumer to buy more tangible goods. Insurance is competing with the advertising of television, automobiles, etc., and will have to develop terms of selling that have a pulling power. Mr. Molhoek said there is complete truth in describing package policies in such phrases as "the finest and most modern insuring method" or "the best and most popular coverage to hit the market in 25 years."

Everyone is a prospect for the homeowners' policy, Mr. Molhoek said, and the premiums run from \$108 to \$1,900. Homeowners A alone means premiums will go up from an average of \$60-\$70 to \$100-\$120.

Mr. Currier, whose subject was inland marine, pointed out the total IM premiums are up from \$40 million in 1945 to \$345 million in 1955, one of the best examples of the sales potential of this line. Practically any account has need for some form of marine cover, he said.

To make inland marine pay, he advised the first step is to assume the role of a professional insurance counselor. It is not necessary to know each policy in detail, but only to have a working knowledge of the coverages. There are many minor inland marine coverages that can be sold to a client who doesn't even know the protection is available, who will then take a new look at his agent and think in terms of letting him handle his entire account. Mr. Currier mentioned that to explain to a client that his golfing equipment or his camera can be insured can lead to big lines. In small towns there are innumerable prospects, including such items as voting machines, school band instruments and uniforms, stained glass windows, or even false teeth. IM is, incidentally, a line of insurance that suffers little competition from direct writers. He mentioned that one way to keep in touch with prospects is to become friendly with a jeweler and have him tell who is buying insurable items.

Mr. Bunting, discussing crime coverages, said this line is losing some of its identity as it is taken in as part of all-risk contracts. He reviewed some of the features of the crime policies on the market, and mentioned that the commercial property policy is more salable for the reason of inclusion of crime insurance.

In his talk on liability coverages, Mr. Phillips said time taken out to run through the liability manual will reveal a good number of prospects. He advised when selling package policies to include adequate comprehensive personal liability limits and to keep an eye open for certain things as ownership of boats with horsepower beyond the minimum. Adequate medical payments is essential, Mr. Phillips said, the \$250 often being far from enough. Some of these are minor

points when discussing a sale, but they loom large when a loss occurs.

Making use of available sales tools was taken up by Mr. Thornton, who classified them into the six categories of advertising aids (envelope stuffers, etc.), direct mail advertising, good will builders (such gimmicks as matches, scratch pads, etc.), merchandising aids (surveys and risk analyses), advertising campaigns, and the help of companies and field men.

Most of the material comes free to the agent, Mr. Thornton remarked, and it is only a matter of making use of them. He commented that he sent out a direct mail on the 10 lawyers in his town asking about lawyer's legal liability. He got one response and sold the policy and the cost to him was nothing for materials, 30 cents for postage and the time taken to write the letter. He said the use of production tools plus agency service cannot help but mean better production.

The convention was concluded with a luncheon at which President Schirmer gave his midyear report of administration, and Commissioner Navarre gave an address entitled "Production Pinnacles."

Mr. Schirmer encouraged the agents to organize Safe-teen clubs in their towns. It is not an easy program to sell, he admitted, but it has values in encouraging better driving, and adults are glad to support it.

The association is strongly supporting the driver service department of the department of state as a method of improving safety, but Mr. Schirmer said this has its ironic twist. (The Michigan secretary of state is a most vocal advocate of compulsory automobile insurance.)

The convention of local board presidents last November at Lansing was a great success, Mr. Schirmer reported, and it is intended to make it an annual event. There were accomplishments in helping lay out more programs and getting the new presidents started.

Touching on a highly controversial issue, Mr. Schirmer said the Michigan attorney-general has ruled that local board placement of public business may be illegal. No one is sure what the decision means, but he suggested the associations go on handling it and be guided by the opinion of their own association counsel. Mr. Schirmer said he "refuses to believe local board placement should or can be termed an illegal transaction." When he got up to speak, Mr. Navarre also mentioned this subject, saying the question was brought to the attorney-general's attention by a local agent, and the form in which it was brought left room for only one opinion.

Insurance has become a \$1 billion business in Michigan, Mr. Navarre said, up three fold in the last 10 years. At the same time there has been only a slight fluctuation in the number of agents. The population will increase 20% in the next 10 years in the state, so the potential is for another \$300 million to be added.

Mr. Navarre said the agents will need capacity and flexibility in new coverages, plus a high quality of counsel.

There is a direct relation between an agent's attitude toward the insurance code and his success, Mr. Navarre said. Fringe operators don't last long. The code has been revised and the agents have an opportunity to know it and understand it.

The base of production is attention to business already on the books—attention to present policyholders who may need additional coverage or advice on new policies as they are put on the market. The value of agents, he said, is demonstrated by the experience of one company cited by the FTC for false advertising. It did not have a solid agency structure and lost 40% of its A&S business. Many of the other companies complained of by the FTC were relatively unaffected or even had sales increases.

Touching on compulsory, he predicted the extent of success in defeating the proposal will be in direct relation to the confidence the public has in the agents. That takes in how well agents have explored the protection needs of their auto insured and explain new coverages as they come in. It also means selling the uninsured motorist endorsement, he added, without grumbling about the time and effort involved. It is a matter of enlightened self-interest.

\$140,000-Plus Loss in Long Island Fire

The three-story building at 78 West Main street, Bayshore, N.Y., recently destroyed by fire, was occupied by Meyer's Drugs, Macy's Liquor store, Beneficial Finance Co., McInerney & McInerney, attorneys, and Singer Dance Studio. The building was insured for about \$140,000, of which \$80,000 was covered by Phoenix of Hartford. Additional companies on the risk were Phoenix of New York, Southern, N.C., Massachusetts F&M., Home, Newark, Great American, Aetna, Norwich Union, Niagara and others. The total amount of loss has not yet been determined.

Cherokee Transfers Osborne

H. Reams Osborne has been appointed state agent in Alabama by Cherokee. State agent in Tennessee for the past two years, he has been with the company since 1951.

WANT ADS

Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

CENTRAL MUTUAL INSURANCE COMPANY

is in the process of dividing territories to better serve their agents. Needed are young men, with multiple line experience, for Georgia, Indiana, Michigan, Ohio, South Carolina, Virginia and Metropolitan Boston.

If you are looking for opportunities for advancement and security with a progressive company, contact S. M. Waugaman, Agency Secretary, Van Wert, Ohio.

WANTED - CASUALTY and FIRE FIELD MAN

for large multiple line Mutual company. Western Michigan territory. Good starting salary. Retirement income plan. Group hospitalization and life insurance. Company car, expense account. Age 25 to 45. All replies confidential. Please give full details as to age, experience and salary requirements. Address Box T-1, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

TO EMPLOYER AND EMPLOYEE

We furnish help for Fire and Casualty Companies and Agencies Exclusively, and many Depend Entirely Upon Us for Experienced Men, Field-Claims-Office. Discuss Your Employment Problems with us in Confidence. A Bonded Service. M. W. NeSmith, Attorney and Insurance Specialist, 1214 C&S Bank Building, Atlanta 3, Georgia.

CALIFORNIA LOCAL AGENCY WANTED

Young eastern general insurance broker wishes to relocate San Francisco area (not city). Presently operate own agency medium sized town. Want to buy local agency either workout or cash. Address Box S-91, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

INSURANCE ADJUSTER AVAILABLE

20 years heavy fire and marine experience. Former marine supervisor large adjustment company. Married, 2 children. Age 39. Will locate any desirable area. Some college. References no problem. Offer must be attractive with definite potentials. Address Box S-92, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

AVAILABLE

Superintendent Casualty Engineering & Inspection Department. 12 years experience, all lines and phases. Married, middle 30's—location open. Reply Box S-99, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Home Office CLAIMS ATTORNEY

Rapidly expanding domestic casualty insurance company has opening for claims attorney. Future assured, location Springfield, Illinois. State age, experience, qualifications and salary desired in first letter. All replies will be held confidential.

LINCOLN CASUALTY COMPANY
500 E. Capitol St. Springfield, Ill.

SPECIAL AGENT

Leading Agency Mutual Casualty and Fire Company requires Special Agent with experience. Prefer man located in Virginia for work in that State. Attractive retirement plan. Excellent opportunity. Write to Box S-62, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

INSURANCE EXECUTIVE

Desire to relocate in west or southwest with young aggressive company. 35 years of age with background as industrial general counsel, practicing attorney and for the past three years President and organizer of a casualty insurance company. Address Box S-88, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIRE PREVENTION AND SAFETY ENGINEER

Expanding multiple line mutual company wants experienced, five years, engineer, to head new department, age 38; top salary, pension plan and liberal insurance benefits. All replies absolutely confidential.

MARKET MENS MUTUAL INSURANCE CO.
1634 W. Wisconsin Ave. Milwaukee 3, Wis.

AVAILABLE SAFETY ENGINEER

Ten years experience, desires opening in Florida, preferably the Orlando or Miami area. Fully experienced all casualty lines, with some auditing experience. Some experience in supervision. Young married man. Address Box S-93, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

UNUSUAL OPPORTUNITY CASUALTY FIELDMAN

Experienced Casualty Fieldman needed—Expanding Multiple Line Company has unusually attractive opportunity in Ohio Field. Salary open depending upon age, experience and work record. Please include resume of education and experience. Our employees know of this ad. Address Box T-3, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Montgomery Secretary of Travelers Group

John Montgomery has been appointed secretary of Travelers and Travelers Indemnity. He will assume administrative duties in compensation, liability and insurance. Treasurer of Connecticut CP-CU, he has been with Travelers since 1938, when he joined the company as a special agent trainee. He was appointed an assistant underwriter in marine in 1941, underwriter in 1947, and assistant secretary of the Pacific coast department in 1951. He served on the faculty of Hartford College of Insurance 1947 to 1950.



John Montgomery

Rodda Retires From National Union Group

Douglas W. Rodda, assistant secretary and supervisor of fire and marine claims, has retired from National Union group. He had been with the group more than 20 years. Active in Loss Executives Assn., he was the first president of Pittsburgh Fire Loss Conference.

Dauer Tells Agents They Must Give Focus to Ad Campaign at Local Level

Cincinnati area insurance men are intensely interested in the forthcoming National Board radio and TV advertising campaign, are anxious for it to achieve measurable success, but confused as to how best to participate in it themselves. This sums up the reactions of members of Miami Valley puddle of Blue Goose and Northern Kentucky Assn. of Insurance Agents to discussions of the impending campaign by Robert C. Dauer, assistant editor of *The Fire, Casualty & Surety Bulletins*, in two separate talks there last week.

Mr. Dauer, outlining formulas for successful insurance agency advertising, touched on the concentrated 13-week program the National Board kicks off March 4. He emphasized that the National Board regards the impending series of advertisements as a "conditioning campaign". "The real effectiveness of this campaign rests with the agent," he said, pointing out that the campaign is necessarily general in nature and, hence, must be given focus at the local level by producers themselves.

During the prolonged discussions and questioning which followed both talks, desire to participate, but doubt as to the most efficient method to do so were expressed repeatedly.

La. Commissioner Gets ICT Restraining Order

Commissioner Hayes has advised Louisiana insured with policies in ICT Ins. Co. of Texas to contact their local agents and secure cover in another insurer. Deeming the policies to be "of questionable value," he has secured a temporary restraining order in an effort to conserve ICT assets for the benefit of Louisiana policyholders.

The temporary order prohibits the company from withdrawing any of its funds, disposing of its property, or transacting business in the state. It has been ordered to show cause why a preliminary writ of injunction should not be issued.

Mr. Hayes said ICT withdrew from the state several years ago, and reentered only in April, 1956. It is thought that most of its policies were on risks located in other states and renewals of relatively few other policies.

Christensen Eases Duties, Herd Named Chairman

(CONTINUED FROM PAGE 1)

named assistant to the president, Paul L. Haid. In 1927 he was elected secretary and in 1932 vice-president.

When changes were made in the group's management during 1937, he advanced as vice-president to the position next to the president's in authority. In 1946 he became president and in 1956 chairman.

In 1942 he was elected executive vice-president of War Damage Corp., a subsidiary of Reconstruction Finance Corp. He also has served as president and member of the executive committee of both National Board and Assn. of Casualty & Surety Companies.

In 1951 Mr. Christensen was invited to be the featured speaker before the London Insurance Institute on "Insurance in the U. S. With Its Attendant Problems." As a tribute to Mr. Christensen, the Institute made him an honorary member. He is the third and only living person upon whom this honor has been conferred in 100 years. In 1945 he received the gold medal award of general insurance for meritorious service to the insurance business. He was awarded an honorary doctor of laws degree by Fordham university in 1955.

Mr. Christensen continues as a director of America Fore companies and as trustee of Hanover Bank. He is immediate past chairman of American Foreign Insurance Association. He is a director and president of the National Board Building Corp. He is also a director of AFIA Finance Corp., Insurance Society of New York, and Beekman Downtown hospital and is a member of the board of governors of Bankers club and Delahanty Institute. However, during the past year and in keeping with his program of seeking relief from active routine responsibility, Mr. Christensen relinquished his directorships of the United States P.

& I. agency, Marine Office of America and Sanborn Map Co.

Mr. Herd started his career as a map clerk and examiner in the St. Louis head office of American Central, now a member of Commercial Union group. In 1920 he joined Niagara Fire, now a member of America Fore group, at the head office after service with National Automobile Underwriters Conference.

He became a special agent of Niagara in Minnesota with headquarters in Minneapolis and for several years travelled as a special and state agent in several western states. He returned to the home office and administrative duties in 1927. In 1929 Niagara joined the other companies of America Fore group. After a year he left to become secretary and later vice-president and director of Fire Association group.

In 1942 Mr. Herd rejoined America Fore fire companies as secretary and was elected vice-president in 1944, later becoming vice-president of all the companies. He served as vice-president of War Damage Corp. as immediate assistant to Mr. Christensen.

In 1951 he was elected executive vice-president of America Fore group and second in authority to Mr. Christensen. He was elected president a year ago.

He is immediate past president of National Board, a director of Fire Companies Subsidiary Corp., Insurance Society of New York, General Adjustment Bureau, Salvage Co. of New York and United States P. & I. agency. He is a trustee of American Institute and a member of National Industrial Conference Board.

He is a trustee of Packer Collegiate institute, Brooklyn Institute of Arts & Sciences and Brooklyn Botanic Garden.

United Pacific Shows Premium Volume Up

A 6% increase in premium volume for 1956 over the previous year has been reported by United Pacific. Gross premiums for 1956 totaled \$21,845,000, distributed among all lines of automobile, casualty, fidelity and surety, group A&S, group life, fire and inland marine.

Net income from all sources amounted to \$163,000 after federal taxes while underwriting produced a loss of \$115,000. Investment income, including capital gains, amounted to \$278,000 and dividends of \$220,000 were paid to shareholders. Admitted assets were \$23,340,000 at the end of 1956 and policyholders' surplus amounted to \$7,111,000.

American Motorists Begins Brazil Operations

American Motorists has entered Brazil, the first of the Kemper group to be licensed outside of North America and the possessions of the U.S. Chairman James S. Kemper said, "We have begun limited operations there, although we do have assurance from a number of our Brazilian insurance friends that they would welcome our participation in the insurance business in Brazil." The president of Brazil signed the licensing decree last fall.

Since the licensing of AMICO in Brazil, several prominent insurance brokerage firms have indicated interest in opening Brazilian branches.

San Francisco Insurance Women's Assn. held its annual "Bosses Night" Feb. 12. Marion Arrubbi, Loyalty group, was chairman.

Mutual Bureau Sets M&C, BI Increases

Mutual Insurance Rating Bureau has increased M&C BI rates in New York state 6.9%, except for New York City where the increase is 11.7%. M&C PDL rates are reduced 7.4% throughout the state, effective Feb. 28.

OL&T PDL rates for New York City apartments and tenements is reduced from .11 per hundred square feet of area to .07. For other area and frontage classifications in New York City and for all area and frontage classifications outside New York City, the increase is 1.9%. For miscellaneous classifications the PDL rates reduce 33.3%.

In Illinois, M&C BI rates are increased 22.5%. M&C PDL is reduced 3.3%. OL&T BI rates for area and frontage classifications are increased in Illinois 30%. PDL for these classifications is revised without change in the over-all rate level, OL&T PDL for miscellaneous classifications are reduced 33.3%.

Baltimore-Washington Telephone Book Ready

The Baltimore-Washington Insurance Telephone Directory has just been published by the National Underwriter Co. Copies may be obtained for \$1 each from the National Underwriter Co., 420 E. Fourth St., Cincinnati 2.

Fireman's Fund Makes Six Changes on Coast

Fireman's Fund group has created a group agency department in its Pacific territory and has appointed Bradley Palmer superintendent and Jack O. Lubbock assistant superintendent of the department, which will assist in production and field administration. Mr. Palmer joined the group in 1947 and has been agency superintendent in the auto-casualty department. Mr. Lubbock has been with the group since 1924.

Alfred J. Dallas will become superintendent of the group's San Francisco fire underwriting department March 1. On that date, Armand Michetti will also assist Stuart D. Menist, San Francisco branch manager, in production activities.

O. D. Oliphant has been named manager of the group's Oakland office. He has been fire agency superintendent in the Pacific Department.

Ralph B. Band has been appointed state agent for fire in Oregon, and will continue to handle northern Oregon in addition to his new duties. Mr. Band joined the group in 1945.

Glens Falls Assets Rise, Underwriting Loses \$3.3 Million

Premiums written by Glens Falls in 1956 climbed 6% to reach \$76,423,924. Investment income before taxes rose 5.8% to \$3,209,977. Capital, surplus and voluntary reserve increased \$1,052,175 to \$51,228,201. Assets went up \$4,675,989 to \$151,584,431.

After providing for a \$2,398,771 increase in unearned premium reserve the underwriting loss was \$3,311,564, 85% of which was incurred during the first six months of the year. The company had an underwriting profit of \$732,328 in 1955.

Net operations gain after taxes, based on the current capitalization of 1,300,000 shares, was 80 cents per share, compared with \$2.51 per share in 1955, and reflected an estimated recovery of \$1.03 per share on taxes paid in 1954 and 1955.

Frank A. Roberts, executive vice-president, was elected a director. He fills a board vacancy created by the resignation of G. Perry Crawford, a director since 1943 and former chairman and president.

Pacific Employers Has Premium Gain

Net premiums written by Pacific Employers in 1956 totaled \$22,820,748, a gain of \$2,215,587 over net premiums written in 1955.

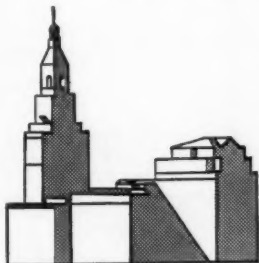
"Despite last year's heavy underwriting losses sustained by the casualty industry as a whole which were due principally to adverse automobile insurance experience, Pacific Employers closed the year with a substantial underwriting profit and made satisfactory progress," President Victor Montgomery said in his annual report to stockholders.

Gross underwriting earnings before federal taxes totaled \$360,660 after setting aside \$1,492,099 for policyholders' dividends. Net investment earnings before federal taxes and plus and minus realized capital gains and losses was \$599,921. Assets of Pacific Employers as of Dec. 31 were \$32,670,839, an increase of \$940,301 during the year. Surplus to policyholders amounted to \$8,755,793, an increase of \$513,644 during 1956.



It's hard to tell
a "good egg" from a bad!

EMPLOYERS NEED FIDELITY BONDS



THE TRAVELERS

INDEMNITY COMPANY, HARTFORD 15, CONNECTICUT

annual statements ☆ THE HOME ☆ Insurance Company

Fire • Automobile • Marine
and THE HOME INDEMNITY COMPANY

HAROLD V. SMITH
Chairman of the Board
KENNETH E. BLACK
President

DIRECTORS

The Home Insurance Company

LEWIS L. CLARKE
Banker

HAROLD V. SMITH
Chairman of the Board

FREDERICK B. ADAMS
New York City

ROBERT W. DOWLING
President,
City Investing Co.

GEORGE GUND
President,
The Cleveland Trust Co.

HAROLD H. HELM
Chairman of the Board,
Chemical Corn Exchange Bank

CHARLES A. LOUGHIN
Vice President &
General Counsel

IVAN ESCOTT
Montclair, N. J.

PERCY C. MADEIRA, JR.
Chairman of
Executive Committee,
Tradesmen's Bank & Trust Co.

CHAMPION McDOWELL DAVIS
President,
Atlantic Coast Line Railroad Co.

WARREN S. JOHNSON
Director,
Wachovia Bank &
Trust Company,
Wilmington, N. C.

HENRY C. BRUNIE
President,
Empire Trust Company

HARBIN K. PARK
Chairman of the Board,
The First National Bank of
Columbus, Georgia

LEROY A. LINCOLN
Chairman of the Board,
Metropolitan Life
Insurance Company

THOMAS J. ROSS
Senior Partner,
Ivy Lee and T. J. Ross

HENRY C. VON ELM
Honorary Chairman
of the Board,
Manufacturers Trust Company

JOHN M. FRANKLIN
President,
United States Lines Company

LOU R. CRANDALL
President,
George A. Fuller Company

KENNETH E. BLACK
President

LEONARD PETERSON
Vice President

HERBERT A. PAYNE
Vice President & Secretary

J. EDWARD MEYER
President,
Cord Meyer Development
Company

ARTHUR C. BABSON
Vice President,
Babson's Reports, Inc.

ROBERT G. GOELET
Real Estate

Balance sheet of THE HOME INSURANCE COMPANY, December 31, 1956

Admitted Assets

MARKETABLE SECURITIES	
United States Government Bonds	\$ 59,158,935.53
Other Bonds	110,756,999.51
Preferred and Common Stocks	229,841,647.75
	<u>\$399,757,582.79</u>
Cash	26,103,879.06
Investment in The Home Indemnity Company	20,928,856.00
Real Estate	6,842,863.96
Agents' Balances	23,014,578.38
Other Admitted Assets	7,369,748.10
Total	<u>\$484,017,508.29</u>

Liabilities

Reserve for Unearned Premiums	\$187,556,977.00
Reserve for Losses and Loss Expenses	39,826,429.68
Reserve for Taxes Payable	4,725,000.00
Reserve for Reinsurance	2,172,701.49
Dividends Declared	2,000,000.00
Other Liabilities	4,035,917.08
Total	<u>\$240,317,025.25</u>
Capital Stock	20,000,000.00
Surplus	223,700,483.04
Surplus as Regards Policyholders	<u>\$243,700,483.04</u>
Total	<u>\$484,017,508.29</u>

Bonds carried at \$6,102,402.42 amortized value and cash \$82,500.00 in the above balance sheet are deposited as required by law. All securities have been valued in accordance with the requirements of the National Association of Insurance Commissioners. Based on these values the stocks of The Home Insurance Company exceed the book value by \$129,828,364.27 at December 31, 1956.

Balance sheet of THE HOME INDEMNITY COMPANY, December 31, 1956

Admitted Assets

MARKETABLE SECURITIES	
United States Government Bonds	\$ 21,127,691.28
Other Bonds	25,034,306.70
Preferred and Common Stocks	12,589,687.50
	<u>\$ 58,751,685.48</u>
Cash	1,706,007.28
Agents' Balances	6,466,502.94
Other Admitted Assets	1,445,568.49
Total	<u>\$ 68,369,764.19</u>

Liabilities

Reserve for Unearned Premiums	\$ 20,692,483.00
Reserve for Losses and Loss Expenses	24,551,730.00
Reserve for Taxes Payable	928,000.00
Reserve for Reinsurance	258,408.00
Other Liabilities	1,006,430.08
Total	<u>\$ 47,437,051.08</u>
Capital Stock	1,500,000.00
Surplus	19,432,713.11
Surplus as Regards Policyholders	<u>\$ 20,932,713.11</u>
Total	<u>\$ 68,369,764.19</u>

Bonds carried at \$1,090,000.00 amortized value in the above balance sheet are deposited as required by law. All securities have been valued in accordance with the requirements of the National Association of Insurance Commissioners. Based on these values the stocks of The Home Indemnity Company exceed the book value by \$5,115,568.87 at December 31, 1956.

HOME OFFICES: 59 MAIDEN LANE, NEW YORK 8, N. Y.